Daily Report

Latin America

FBIS-LAT-96-077
Friday
19 April 1996

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Daily Report
Latin America

FBIS-LAT-96-077 *19 April 1996*

CONTENTS

INTERNATIONAL AFFAIRS

International Affairs: EU To Support L.A. Antidrug Plan *[La Paz Radio]* 1
International Affairs: EU, Rio Group on U.S. Drug Policy *[La Paz Radio]* 1

CARIBBEAN

Cuba

Cuba: Prosecutor General Rejects Human Rights Rapporteur *[PRENSA LATINA]* 2
Cuba: Radio, TV Coverage of Playa Giron Anniversary *[Havana Radio, etc.]* 2
Cuba: Report on Arrival of Shipwrecked Haitian Refugees *[Havana Radio]* 3
Cuba: Raul Castro on FAR's Reported 'Achievements' *[Havana TV]* 3
Cuba: Politburo Members' Activities Through 18 Apr *[Havana Radio, etc.]* 4

Haiti

Haiti: Armed National Policemen Positioning Along Border *[Port-au-Prince Radio]* 4
Haiti: Preval on 'Plot,' Arrests in Dominican Republic *[Madrid EFE]* 5
Haiti: Palace Source Says No Halt in U.S. Economic Aid *[Madrid EFE]* 5
Haiti: Government Holds Talks With International Donors *[Port-au-Prince Radio]* 6
Haiti: Talks With International Donors Enter 4th Work Day *[Port-au-Prince Radio]* 6
Haiti: Radio Reports PAIN Premises Burned Out 18 Apr *[Port-au-Prince Radio]* 6

MEXICO

Mexico: Occupation of Spanish Embassy Continues *[Madrid Radio]* 7
Mexico: Peasants Occupying Embassy Leave Peacefully *[Madrid Radio]* 7
Mexico: Nation Works To Prevent U.S. Import Restrictions *[NOTIMEX]* 7
Mexico: Support Sought For Rights Resolution at UN *[NOTIMEX]* 7
Mexico: Canada Proposes Migration Pact Among NAFTA Nations *[LA JORNADA 17 Apr]* 8
Mexico: Analysts Assess NAFTA Woes, PRI's Position *[PROCESO 15 Apr]* 8
Mexico: Zedillo Speaks on Defense of Human Rights *[LA JORNADA 17 Apr]* 9
Mexico: Zedillo Says Danger of Economic Collapse Gone *[Mexico City Radio]* 11
Mexico: Ortiz Reaffirms Economic Reform 'Irreversible' *[Mexico City Radio]* 12
Mexico: Secretariat on Swap of Brady Bonds for New Bonds *[Mexico City Radio]* 13

CENTRAL AMERICA

Honduras

Honduras: Political Asylum Granted to Haitian Military *[ACAN]* 14

Panama

Panama: President To Consider Clinton Proposal on Bases *[Panama City TV]* 14
Panama: U.S. Government Revocation of Visas 'Dreaded' *[EL PANAMA AMERICA 18 Apr]* 14
Panama: Former Official Refutes Gelbard's Statements *[EL PANAMA AMERICA 16 Apr]* 14

SOUTH AMERICA

Argentina

Argentina: Buenos Aires Governor Meets With U.S. VP *[NOTICIAS ARGENTINAS]* 16

Argentina: UK's Major Greets Menem, Confirms Negotiations *[TELAM]* 16
Argentina: South Atlantic Fishing Discussed at IPU Meeting *[TELAM]* 16
Argentina: Di Tella Meets With UN Secretary General *[LA NACION 18 Apr]* 17
Argentina: Petrella Supports Cease-Fire in Lebanon *[Madrid EFE]* 17
Argentina: 'Immediate' Cease-Fire in Middle East Endorsed *[TELAM]* 18
Argentina: Spain's King Calls Menem on Middle East Crisis *[TELAM]* 18
Argentina: President Meets Bahamian PM Ingraham *[TELAM]* 18
Argentina: Officials on Possible Menem Reelection *[CLARIN 17 Apr]* 19
Argentina: 'Accounting Tricks' Said To Hide Deficit *[LA NACION 14 Apr]* 19
Argentina: Latin American Jewish Congress Head Installed *[NOTICIAS ARGENTINAS]* 20

Bolivia

Bolivia: Foreign Minister Confirms Bid for UNSC Seat *[PRESENCIA 10 Apr]* 21
Bolivia: Social Communications Minister Alcaraz Resigns *[La Paz Radio]* 21
Bolivia: Judicial, Antidrug Agreement Signed With Italy *[Madrid EFE]* 21
Bolivia: Aranibar Meets With Chile's Insulza *[PRESENCIA 15 Apr]* 21

Brazil

Brazil: Agriculture Minister Tenders Resignation *[Rio de Janeiro TV]* 22
Brazil: Brazilians Polled on Economy *[GAZETA MERCANTIL, etc.]* 22

Chile

Chile: Frei's Popularity Drops Among Socialists, PPD *[EL MERCURIO 16 Apr]* 23
Chile: Bahamian Prime Minister Pays Official Visit *[LA TERCERA DE LA HORA 14 Apr]* 23
Chile: Decision To Start New Talks on 1929 Treaty Noted *[EL MERCURIO 16 Apr]* 24
Chile: Allamand on Need for Constitutional Reform *[LA TERCERA DE LA HORA 6 Apr]* 24

Colombia

Colombia: 'Terrorist Plot' Against U.S. Embassy Found *[Santa Fe de Bogota TV]* 25
Colombia: 4 Soldiers Killed in Clashes With FARC in Meta *[Santa Fe de Bogota Radio]* 25
Colombia: ELN Announces 2d Armed Strike for 48 Hours *[NOTIMEX]* 25
Colombia: Military Forces Implement Security Program *[Santa Fe de Bogota Radio]* 26
Colombia: Samper on Plans Against 'Subversive Actions' *[Santa Fe de Bogota Radio]* 26
Colombia: Police Director on Drug Trafficker's Arrest *[Santa Fe de Bogota Radio]* 27
Colombia: Mayor Pledges Help in Talks With Guerrillas *[EL TIEMPO 13 Apr]* 27
Colombia: Prosecutor Orders Arrest in Sarria Murder Case *[Santa Fe de Bogota Radio]* 27
Colombia: Self-Defense Groups' Claim of Pardon Offer Denied *[Santa Fe de Bogota TV]* 27
Colombia: Serpa on CAMBIO 16 Charges, Party Division *[EL ESPECTADOR 14 Apr]* 28
Colombia: U.S. Involvement in Political Crisis Decried *[EL TIEMPO 17 Apr]* 29
Colombia: 'Gringo Xenophobia' Toward Latinos Viewed *[EL COLOMBIANO 13 Apr]* 30
Colombia: Editorial Views Economic Situation, Recession *[EL ESPECTADOR 13 Apr]* 31
Colombia: Poll Shows 'Uncertainty' Among Businessmen *[EL TIEMPO 15 Apr]* 32
Colombia: Correction to Antikidnapping Czar on Captors 33

Ecuador

Ecuador: Ortega Says Peace Process Continues *[Quito Radio]* 33
Ecuador: Leoro Willing To Continue Peace Talks *[Quito Radio]* 33
Ecuador: Polls Show Nebot in 'Solid First Place' *[Quito Radio]* 33

Paraguay

Paraguay: President Promulgates New Electoral Code *[ABC COLOR 18 Apr]* 34

Paraguay: Industrialists Criticize Government, Unions *[ABC COLOR 17 Apr]* 35
Paraguay: 'Rumors' of High-Level Military Changes Reported *[ABC COLOR 18 Apr]* 35

Peru

Peru: Special Civil Courts for Police, Military Proposed *[LA REPUBLICA 27 Mar]* 36
Peru: Possible Weapons Purchases Discussed *[LA REPUBLICA 27 Mar]* 36
Peru: Link Between Arms Dealers Argentine Delivery Noted *[LA REPUBLICA 27 Mar]* 38

Venezuela

Venezuela: Business Leaders React to Caldera's Speech *[EL UNIVERSAL 16 Apr]* 40
Venezuela: Industrialists Concerned About Economic Plans *[Caracas TV]* 42
Venezuela: Political, Foreign Officials on Economic Plan *[Caracas TV]* 42
Venezuela: Businessmen Note Support for Economic Program *[Madrid EFE]* 43
Venezuela: AD Supports Economic Adjustment Measures *[Caracas TV]* 44
Venezuela: Contents of Caldera's Message Criticized *[NOTIMEX]* 44
Venezuela: People 'Not Afraid' of Economic Adjustments *[Caracas TV]* 45
Venezuela: Military Monitors Situation on Announcement *[EL UNIVERSAL 12 Apr]* 45

International Affairs: EU To Support L.A. Antidrug Plan

PY1804145496 La Paz Radio Cadena Nacional Network in Spanish 1100 GMT 18 Apr 96

[FBIS Translated Text] It is now 0719 and we have a special report by our colleague Jorge Gimenez regarding the EU.

[Begin recording] [Gimenez] With the EU holding its hand, the Latin American Rio Group will urge the United States to change its attitude toward the world antinarcotics struggle.

This request will be officially made during the UN General Assembly next September.

Meanwhile, Manuel Marin, vice president of the European Commission, has offered the support of European countries to the Latin American countries, which made this proposal because they are concerned about unilateral certifications.

[Marin] It must be ready, [word indistinct], and resolved on the basis of shared responsibility.

It is useless to continue to implement penalizing policies exclusively against the producer countries.

[Gimenez] The idea of calling a world conference on drugs within the framework of the United Nations in 1997 or 1998 — at which new rules regarding shared responsibility will be defined — was an initiative of this region. Thus, producing countries will not have to bear the full brunt of the problem.

Marin agreed that this crime, which is not based in the transit countries but mainly in the consumer countries, will no longer be fought with a big stick. [end recording]

International Affairs: EU, Rio Group on U.S. Drug Policy

PY1804131296 La Paz Radio Cadena Nacional Network in Spanish 1100 GMT 18 Apr 96

[FBIS Translated Text] Latin America and the EU will urge the United States to change its attitude regarding the struggle against drug trafficking.

The Latin American Rio Group and the EU will recommend that the United States should take another attitude toward the worldwide struggle against drugs.

The two groups will do so during the upcoming UN General Assembly in September.

This was expressed by Manuel Marin, vice president of the European Commission, who came to Bolivia participate in the Rio Group-EU Foreign Ministers Meeting.

Marin said the EU supports the idea of shared responsibility if that scourge is to be confronted with a greater and real impact at all levels of its activity.

Marin stated that in conceptual, political, and cooperation terms a multilateral angle must be imposed, not just restricted to police and judicial tasks.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Cuba

Cuba: Prosecutor General Rejects Human Rights Rapporteur

PA1804195296 Havana PRENSA LATINA in Spanish 1508 GMT 18 Apr 96

[FBIS Translated Text] Queretaro, Mexico, 18 Apr (PL) — Cuban Attorney General Juan Escalona affirmed today that his country rejects the appointment of a special UN human rights rapporteur because there is no justification for this.

Speaking at the first Ibero-American Congress of Ombudsmen, Attorney Generals, Commissioners, and Presidents of Human Rights Commissions, Escalona said that in Cuba there are neither flagrant nor significant violations.

The Cuban attorney general, who placed the designation of a rapporteur for the island in the same context as U.S. pressure on Cuba, saying the United States is the world's worst transgressor of human rights.

Escalona said the U.S. blockade on his island is aimed at suppressing the right of 11 million Cubans to live because it impedes the arrival of food and medicine, among other things.

He said that in his country there has not been a single case of people coming up missing, being tortured, or being kidnaped since the triumph of the revolution in 1959.

The attorney general reiterated the Cuban determination to continue with the socialist project in the island and to defend the vital interests of the population: Health, education, and dignity, taking not a step backwards.

Cuba: Radio, TV Coverage of Playa Giron Anniversary

PA1804155696

[FBIS Report] Havana Radio Rebelde Network in Spanish at 2100 GMT on 16 April broadcasts live the main ceremony commemorating the 35th anniversary of the Playa Giron invasion from Central Army headquarters, in Matanzas Province. Radio Rebelde's live coverage lasts 163 minutes.

The military ceremony begins with the presentation of arms, followed by the playing of the Cuban national anthem. After the reading of a revolutionary poem, Jose Ramon Fernandez, vice president of Cuba's Council of Ministers, delivers a 15-minute speech in which he comments on Cuba's achievements before the invasion of Playa Giron, gives a thumbnail sketch of the invasion, and praises Fidel Castro's role in the historical event.

After the reading of another revolutionary poem and the announcement of names of individuals who will be awarded for their "outstanding revolutionary duty," Cuban radio and television actor Felix Pastor Arrencibia delivers a nine-minute speech on "Yankee imperialism" trying to soil the honor of the Cuban people and on "ultra-reactionaries." He ends his remarks by shouting: "Eternal glory to the homeland's heroes and martyrs! (crowd replies: "Glory!") Long live the 35th anniversary of the proclamation of the socialist nature of the Revolution! (crowd replies: "Viva!") Long live free Cuba! (crowd replies: "Viva!") Long live Fidel! (crowd replies: Viva!) Socialism or death! Homeland or death! We will win!"

After the playing of songs, President Fidel Castro delivers a 94-minute speech in which he comments on the socialist nature of the Cuban Revolution, recounts at length the events of the Playa Giron invasion 35 years ago, and criticizes the United States.

After Castro's speech, the network reports on the subsequent military parade and notes that troops march in formation in front of the dais where Castro is seated.

At 2343 GMT, Radio Rebelde concludes its coverage.

Havana Tele Rebelde and Cubavision Networks in Spanish at 0000 GMT on 17 April close the regularly scheduled "NTV" newscast with recorded coverage of the ceremony. Tele Rebelde and Cubavision's recorded coverage lasts 160 minutes.

Video shows wide shot of Fidel Castro in his traditional green fatigues and cap mounting the dais, with Carlos Lage in tow; closeup of a soldier playing taps in honor of Playa Giron victims; closeups of Fidel Castro and the Cuban flag as the Cuban national anthem is played; wide shots of troops standing at attention as the reviewing officer addresses them from the back of a jeep; wide shots and closeups of uniformed and plainclothes speakers delivering poems, dancing, and singing; closeup of Fernandez as he delivers his remarks; wide shots of crowd; wide shots of officials seated on the dais, including Politburo members Yadira Garcia, Juan Almeida Bosque, and Abel Prieto; wide shots of more officials seated on the dais, including Juan Contino and Melba Hernandez; closeups of Fidel Castro as he delivers his remarks in his typically animated fashion, including shot of Fidel Castro from the side with a tank monument in the background; wide shot of Fidel Castro waving to the crowd as he steps down from the dais at the end of the ceremony.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Cuba: Report on Arrival of Shipwrecked Haitian Refugees

PA1804161496 Havana Radio Rebelde Network in Spanish 1155 GMT 17 Apr 96

[From the "Doing Radio" program]

[FBIS Translated Text] A flimsy boat carrying 306 Haitians, who were trying to reach the United States, ran aground near Borracho Beach, on the Baconao park's coast, approximately 50 km off Santiago de Cuba. The 219 men, 62 women, and 25 children aboard the boat arrived in Cuba on Monday at 0900, and, after receiving first aid, were transferred to Guantanamo's Maisi municipality.

Eight of the shipwrecked passengers were dehydrated, and were immediately treated by Cuban doctors. The other passengers stated that three people died during the trip, and their bodies were thrown overboard before running ashore. The boat left Port-au-Prince on 7 April hoping to land in Miami. However, bad weather destroyed the sail and the tip of the mast.

It was reported today that the flimsy 17 meter wooden boat had a totally useless 65 HP outboard motor, and did not have a name or registration.

Cuba: Raul Castro on FAR's Reported 'Achievements'

PA1904032896 Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 17 Apr 96

[Report by Marta Moreno; from the "NTV" newscast]

[FBIS Translated Text] On 5 March 1986, Army General Raul Castro, minister of the Revolutionary Armed Forces [FAR] and second secretary of the Communist Party of Cuba, asked the military to get rid of old schemes and eliminate the causes of deficiencies, most of which were of a subjective nature back then.

Recently, a decade after that historic meeting, the Ministry of the Revolutionary Armed Forces Military Council discussed the critical issues pointed out by Raul Castro.

A report presented by Division General Ulises Rosales del Toro, chief of the Armed Forces General Staff, stated that works of strategic importance were carried on, despite the collapse of the socialist bloc, the disintegration of the Soviet Union, and the strong imperialist blockade. The successful completion of international missions, the development of the Youth Labor Army [EJT], the support for the food program, and other measures aiming to safeguard the Revolution and socialism, were among these significant achievements.

The report stated that the employment of troops, methodology, and fighting tactics have been perfected under the creative implementation of the military views of the commander in chief and the FAR minister. It also noted that the changes made it possible to reduce the number of troops, cutting approximately 100,000 positions, specially from the leadership, logistics, and services. In addition, it stressed that special care has been placed in the individual training of soldiers, through a more realistic instruction.

The report by the division general pointed out that tactical exercises and maneuvers with the participation of the different troops, weapons, and logistics, have been successful. It also stated that new training methods for the reserves and territorial troops militia have been used, and noted that sustained work has been done to maintain and preserve the equipment and armament, which are ready for combat. In this regard, it highlighted that 272 military units have achieved outstanding status.

Division General Ulises Rosales del Toro commented on food production:

[Begin Rosales recording] The sustained annual growth of 30 percent of the agricultural production has played a mayor role. During 1995, 70 percent of the food consumed by the military came from these sources. [end recording]

The EJT has been attaining a relevant role during this period, evolving from an institution that provided labor, to one that produced efficiently. The EJT used over 30 million pesos of the budget during 1986, and produced 133 million worth of products, and 13.8 million pesos in profits in 1995.

The report also indicated that during recent years, the FAR has imparted a more thorough knowledge of Cuban history, Marxist-Leninist doctrine, Marti's ideals, and the commander in chief's outlook, and noted that military discipline has showed satisfactory results.

During the military council's final analysis, Army General Raul Castro stated:

[Begin Raul Castro recording] Organization and vision to predict events, integrated work, persistence, analysis, and search for the most adequate solutions, have been key issues in solving problems. Life showed us that it was not possible to achieve goals when we did not follow this route, no matter the efforts and will of our military.

Currently, the FAR situation is very different from what it was at the time of that evaluation on 5 March ten years ago. However, we cannot fool ourselves, or neglect our duties. [end recording]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Cuba: Politburo Members' Activities Through 18 Apr

PA1904040596

[FBIS Report] The following is a compilation of reports on the activities of Cuban Communist Party Central Committee Politburo members monitored through 18 April.

Agriculture Minister Alfredo Jordan Morales has announced in Cienfuegos encouraging vegetable production figures for the first quarter of the year. He has said the quarter ended with a production of 12.836 million quintals of tubers and vegetables, much higher than productions reached before the special period. He has said expectations for the first four months of the year are high. (Havana Radio Havana Cuba in Spanish 0000 GMT 12 Apr 96)

Maria de los Angeles Garcia Alvarez has delivered a banner of recognition to members of the Julio Antonio Mella Agro-industrial Complex in Santiago de Cuba because it has met its sugar production goal after overcoming serious difficulties during 117 days of harvest. (Havana Cubavision Network in Spanish 0000 GMT 13 Apr 96)

Pedro Ross Leal, secretary general of the Cuban Workers Federation, CTC, has attended a ceremony in which the Guantanamo delegation that will attend the 17th CTC Congress was appointed. The 82-member delegation is one of the last to be appointed and will report to the CTC on the province's food program achievements. (Havana Cubavision Network in Spanish 0000 GMT 13 Apr 96)

General Raul Castro Ruz will head a military council of the Ministry of the Revolutionary Armed Forces, FAR. The meeting will review 1995 as a year of preparation for defense. He will also review the work done by the FAR. Also participating will be members of the military council of the FAR, chiefs and officers of the FAR who have won incentives, as well as representatives of organizations and state institutions. (Havana Radio Rebelde Network in Spanish 1700 GMT 13 Apr 96)

Candido Palmero Hernandez has attended in San Jose de las Lajas the 35th anniversary celebrations of the Playa Giron victory. He has said Havana Province has kept up its potato production with 2.5 million quintales but has said 1 million more remain to be harvested in the fields. Prior to the ceremony, Palmero and a group of high-ranking FAR officers and Havana leaders visited defense sites and work areas that even in times of war are able to keep up production without electricity, such as the Pedro Esperon Textile Plant. (Havana Tele Rebelde and Cubavision Networks in Spanish 0000 GMT 15 Apr 96)

Ricardo Alarcon de Quesada, president of the National Assembly of the People's Government, and Carlos Lage Davila, secretary of the Executive Committee of the Council of Ministers, have held a national meeting of presidents of provincial assemblies of the people's government in Havana in which they discussed topics aimed at improving the work done by government organizations. This is the 11th such meeting since 1993 to determine the needs of the provinces. (Havana Radio Havana Cuba in Spanish 0000 GMT 18 Apr 96)

Ricardo Alarcon and Abel Prieto Jimenez as well as Cuban Culture Minister Armando Hart Davalos attended funerals for Cuban film director Tomas Gutierrez Alea in Havana on 17 April. (Havana Radio Havana Cuba in Spanish 0000 GMT 18 Apr 96)

Nelson Torres Perez, Sugar Industry minister, has said in Ciego de Avila Province that the efforts made by all provinces in meeting their sugarcane harvest goals are a feat. Torres came to this province to deliver a banner to the Orlando Gonzalez Complex, the first to meet its sugarcane production goal. He has said Ciego de Avila has kept up its production despite the heavy rains and should be named a banner province. (Havana Radio Rebelde Network in Spanish 1155 GMT 18 Apr 96)

Haiti

Haiti: Armed National Policemen Positioning Along Border

PA1804203696 Port-au-Prince Signal FM Radio in Creole 1130 GMT 18 Apr 96

[From the "0730 Appointment Newscast"]

[FBIS Translated Text] A contingent of the National Police is scheduled to take their positions today along the border separating Haiti from the Dominican Republic. These policemen will carry heavy, high caliber weapons and will contribute to the intensification of security measures to ensure security along the entire Haitian-Dominican border, as previously announced by President Preval.

On that note, Minister of Justice Max Antoine and National Police Director Pierre Denize will appear before the Chamber of Deputies today to explain this measure, which was adopted by the government and the National Police, according to what Signal learned from the Chamber of Deputies. Our source learned that the parliamentarians will ask Minister of Justice Max Antoine and National Police Director Pierre Denize

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners

questions concerning the security measures taken on the Haitian-Dominican border, where a contingent of national policemen will take position today with their weapons.

Haiti: Preval on 'Plot,' Arrests in Dominican Republic

PA1904025596 Madrid EFE in Spanish 0029 GMT 19 Apr 96

[Report by Herold Jean-Francois]

[FBIS Translated Text] Port-au-Prince, 18 Apr (EFE) — Haitian President Rene Preval said today that if there are people involved in plans to destabilize the country, it is best for the Haitian people that they stay "a little away from our borders."

Preval did not comment on the arrest of Frank Romain and Joseph Michel Francois, arrested in the Dominican Republic by authorities of that neighboring country when a plot to overthrow the Haitian president who assumed power on 7 February was discovered.

Francois, former Haitian police chief and head of the coup d'etat that overthrew President Jean-Bertrand Aristide on 30 September 1991, and Romain, former mayor of Port-au-Prince and former police chief during Francois Duvalier's regime, were arrested this week.

Preval said he could not comment on Romain and Francois' deportation to Honduras until the Dominican Government officially notifies him of their repatriation to that Central American country.

He recalled that during his visit to the Dominican Republic in March he signed an agreement of nonintervention and support to democracy with Dominican President Joaquin Balaguer.

On another subject, asked about investigations demanded by the U.S. Congress on political crimes committed since Aristide's return to the country, Preval said an investigating commission has been created, which will be advised by foreign lawyers paid by the government and by U.S. investigators.

"When a crime is committed, a legal process must be started, and investigations must be conducted in order to find the culprits, the Haitian president said.

Preval recalled that political assassinations were committed before those crimes. As examples, he mentioned the murder of Antoine Izmery and Jean-Marie Vincent, whom he described as his "brother and sister," and Francois Guy Malary, who was justice minister during the government of Robert Malval.

He added that one should not forget either the multiple crimes committed from the 30 September 1991 military coup until October 1994.

Preval noted the difficulties that authorities have been facing in investigating those crimes and arresting those responsible, which he attributed to the weakness and youth of the investigators.

"We have found the murderers of our allies and not the murderers of their friends (referring to the U.S. Congress); we can understand their position," Preval said. He added that Izmery's widow, Doris Izmery, has also asked him to arrest the murderers of her husband.

Haiti: Palace Source Says No Halt in U.S. Economic Aid

PA1804013196 Madrid EFE in Spanish 1905 GMT 17 Apr 96

[By Herold Jean-Francois]

[FBIS Translated Text] Port-au-Prince, 17 Apr (EFE) — The United States has not canceled its economic aid to Haitian authorities, a source from the National Palace, who asked to remain unidentified, told EFE today.

The source said the U.S. State Department has verified efforts the Haitian Government has made regarding investigations of alleged "political crimes" after former President Jean-Bertrand Aristide was reinstated in power from October 1994 to February 1996.

According to a source close to President Rene Preval, the U.S. State Department has stated that the Clinton administration together with the U.S. Congress would consider how to motivate the Haitian Government to continue investigating those crimes.

Stanley Schrager, spokesperson for the U.S. Embassy in Haiti, said the United States is reviewing the economic aid granted to Haiti; nevertheless, he said, that decision will not affect humanitarian aid.

Schrager confirmed that statement today during an interview with EFE. In response to statements by the Haitian Government, he said the U.S. aid to Haiti was not canceled but, rather, suspended, but his country "is not able to offer a new aid package to Haiti."

Schrager said President Clinton cannot verify that Haiti is investigating those crimes, but the circumstances could develop and change in the future.

U.S. Senator Robert Dole has proposed a suspension of aid to Haiti until its authorities present evidence that investigations of political crimes are taking place.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

For Schrager, the difference between his statement and the government's reaction is only "a play on words" being used in different contexts.

The United States will offer Haiti $105 million in aid in 1996, $23 million out of which represent humanitarian aid.

Since 15 April, Haitian authorities have been negotiating with delegations from the IMF, the World Bank, and the Inter-American Development Bank (IDB). Talks with these organizations were suspended in October 1995 after the administration of former President Aristide refused to comply with its pledge to implement economic reforms, a program of structural adjustment, and to privatize state enterprises.

Haiti: Government Holds Talks With International Donors

PA1804234396 Port-au-Prince Signal FM Radio in French 1130 GMT 18 Apr 96

[From "The Waking Up Newscast"]

[FBIS Translated Text] The prime minister's office has announced that the government is holding talks with international donors. As stated on several occasions, it will negotiate taking the fundamental interests of the Haitian people into account. The public will be informed of the progress of the talks as they continue.

The prime minister's office has stated that the first two days of talks focused on the presentations by the various missions and on the discussion of the macroeconomic-political guidelines.

The talks between the Haitian Government and the international donors took place this week. The six member, inter-ministerial commission following these talks has come up with a macroeconomic framework, a set of proposals on the budget reforms, and a scheme for the privatization of state-owned enterprises and the administrative and financial reforms. These proposals are nonnegotiable. The sponsors must accept them in their entirety, said a member of the negotiation commission who wants to remain anonymous.

According to this source, the negotiators have proposed to the international donors three forms of privatization: A type of lease on a short- or long-term basis with the prerequisite investment and the capitalization of these enterprises that includes the funds of the investor and his technological know-how and management ability. These preconditions provide for the sale by bids of 50 percent of the state's assets to investors. They also provide for the sharing of state dividends to both the territorial communities and the pension funds of employees of those enterprises to be privatized.

Haiti: Talks With International Donors Enter 4th Work Day

PA1904004096 Port-au-Prince Signal FM Radio in Creole 1130 GMT 18 Apr 96

[From "The 0730 Appointment Newscast"]

[FBIS Translated Text] The information campaign on the privatization issue continues. President Preval will meet with members of the Haitian Episcopal Conference today on privatization; he met with the Haitian Protestant Federation yesterday.

The delegates.... [pauses] Various delegates have been dispatched to the provinces to take the information campaign to the Haitian peasants.

The talks between Haiti and the international donors are now....[pauses] Today is the fourth working day. These talks began on 15 April at the prime minister's office. The participants held workshops at the Finance Ministry, the Planning and External Cooperation Ministry, and at the Central Bank headquarters, according to sources close to the prime minister's office.

As these talks between the Smarth-Preval government and the international donors continue, graffiti have begun appearing on several walls in various neighborhoods of the capital. The graffiti are hostile to the Lavalas political organization, from which President Preval comes, and state: The OPL has betrayed the struggle of the people, up with Aristide.

Haiti: Radio Reports PAIN Premises Burned Out 18 Apr

PA1804204196 Port-au-Prince Signal FM Radio in Creole 1130 GMT 18 Apr 96

[From the "0730 Appointment Newscast"]

[FBIS Translated Text] The National Agricultural and Industrial Party [PAIN] building, on Third Avenue du Travail, is completely gutted. A fire broke out early this morning, at 0200 [0700 GMT]. All of the party's documents were consumed in the fire. At the moment, officials do not know what started the blaze, but people living in the area say a house that was adjacent to the PAIN building was also on fire and it is possible that that fire just spread to the adjoining building.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Mexico: Occupation of Spanish Embassy Continues

LD1904084296 Madrid RNE-1 Radio Network in Spanish 0800 GMT 19 Apr 96

[FBIS Translated Text] In Mexico City today, the occupation of the Spanish Embassy by a group of 60 peasants from Oaxaca State who are demanding solutions for their agrarian problems continues. The peasants, who yesterday evening peacefully occupied the Spanish mission, have refused to meet a senior Oaxaca State official and are demanding guaranteed solutions for their problems.

Mexico: Peasants Occupying Embassy Leave Peacefully

LD1904111896 Madrid RNE-1 Radio Network in Spanish 1100 GMT 19 Apr 96

[FBIS Translated Text] In Mexico, the 60 Indian peasants from the southern state of Oaxaca who were occupying the Spanish Embassy in the Mexican capital have peacefully left the diplomatic mission. Yesterday evening, and without any kind of violence, the peasants occupied the Spanish Embassy to protest against the lack of solutions for the serious agrarian problems in their community.

Mexico: Nation Works To Prevent U.S. Import Restrictions

PA1804123996 Mexico City NOTIMEX in Spanish 0148 GMT 17 Apr 96

[FBIS Translated Text] Costa de Hermosillo, 16 Apr (NOTIMEX) — Agriculture Secretary Francisco Labastida said here today that Mexico is undertaking legal and diplomatic efforts to prevent the United States from closing its borders to Mexican products.

The head of the Secretariat of Agriculture, Livestock and Rural Development (SAGDR) clarified in an interview that although, at present, there are no such restrictions against Mexican producers, these negotiations are being conducted because "this is a very serious risk."

The restrictions could seriously affect our exports, the reason why we are taking the appropriate measures at this time in coordination with the exporters of vegetables, the official said in this city of Mexico's northwestern state of Sonora.

Labastida Ochoa mentioned that "four lawsuits have been filed and we will defend, in keeping with the law, the right of the Mexican producers to export their vegetables and fruit in accordance with the regulations of NAFTA and other signed agreements.

He said that the law is on Mexico's side and this country hopes to assert its right even via diplomatic negotiations, because no law has been violated.

In addition, we will prove that there is no "dumping" or negative repercussions on the national industry, as they have argued; consequently, there is no justifiable legal basis to restrict the normal flow of vegetable exports to the United States.

The agriculture secretary also ruled out any possibility of "mad cow disease" in Mexico, because, for five years, the borders have been closed to the import of British products following a health problem in that country.

Labastida Ochoa made a short visit to this locality, located approximately 68 km from Hermosillo, the capital of Sonora, where he signed a coordination agreement of the Alliance for the Rural Areas. This agreement will allocate 85.8 million pesos (approximately $11.44 million) to the rural areas of Sonora.

Mexico: Support Sought For Rights Resolution at UN

PA1804124096 Mexico City NOTIMEX in Spanish 1853 GMT 17 Apr 96

[FBIS Translated Text] Reynosa, 17 Apr (NOTIMEX) — Foreign Secretary Jose Angel Gurria disclosed today that Mexico is seeking support for a resolution condemning the violation of the human rights of immigrants in the United States at the UN Human Rights Commission.

Gurria pointed out that the resolution presented by Mexico on the abuse suffered by illegal workers in the United States was unanimously approved by the members of the commission, including the U.S. representative.

The Mexican Secretariat of Foreign Relations has maintained its decision to demand, in all cases, continuous respect for human rights, the official stressed within the framework of a tour by President Ernesto Zedillo through the northern state of Tamaulipas.

Gurria added that Mexico proposed the creation of a code of conduct that seeks respect for the rights of migrant workers. Support for this code of conduct will also be sought at other international meetings.

The Mexican diplomat also announced that a group has been created to promote the adoption of this code of conduct by the UN Human Rights Commission.

"Time and again, when abuse has taken place, these cases have been reported and penalties have been demanded for the perpetrators and compensation for the victims," he noted.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

He also stressed that the Foreign Secretariat is permanently on alert to safeguard the security of the undocumented Mexicans and prevent any violation of their human rights.

The foreign secretary emphasized that even though there are citizens from other countries who are illegally in the United States, their civil rights must be respected.

Mexico: Canada Proposes Migration Pact Among NAFTA Nations

PA1804182596 Mexico City LA JORNADA in Spanish 17 Apr 96 p 7

[By Jorge Alberto Cornejo]

[FBIS Translated Text] Tijuana, Baja California State, 16 April — Canadian Ambassador to Mexico Marc Perron has proposed that his country and Mexico take the lead in helping to solve the U.S.-Mexican migration problem through an agreement whereby guest workers [trabajadores huespedes] would be allowed to stay in Canada for six months with access to a number of legal benefits. This would help ensure that they are not targets for abuse and violations. Perron told Mayor Jose Guadalupe Osuna Millan of his government's interest in seeing the NAFTA states sign a parallel labor agreement that would end the migration problem, which hurts trade and political relations. While the ambassador acknowledged that fewer Mexican workers migrate to Canada than to the United States, he said that the three NAFTA governments working together have the power to turn the migration problem into an asset. Some 6,000 Mexican workers fly to Canada every year seeking work in Canadian fields and factories, encouraged by an agreement signed by the governments of the two countries granting the wage-earners a number of guarantees while they are working outside of Mexico. National Action Party Deputy Rodrigo Robledo, in turn, said that Mexican and U.S. legislators have agreed to lay the groundwork for a labor agreement of this type at the legislative meeting to be held in May. Robledo said in a separate interview that the initial contacts were made during last week's meeting of legislators from both countries. These will serve as the basis for a labor agreement with the neighboring country.

Mexico: Analysts Assess NAFTA Woes, PRI's Position

PA1904020896 Mexico City PROCESO in Spanish 15 Apr 96 pp 33-35

[Report by Rodrigo Vera]

[FBIS Translated Text] Analyst Jorge G. Castaneda has affirmed that "the case of the immigrants beaten up in Riverside is a metaphor on the situation our country is experiencing: The United States is beating up Mexico." In his speech "NAFTA and the Mexican-U.S. Relations" delivered on Thursday, 11 April at the Siqueiros Cultural Polyforum, Castaneda talked about the economic and political disadvantages of signing the NAFTA:

"The NAFTA is the masterpiece of the resignation to which we were subjected by our political elite, which accepted this U.S. intervention in our modernization, drug trafficking fight, and other aspects... those of us who opposed the NAFTA waged a battle here and there but lost."

He added: "We should not have negotiated or signed the NAFTA. However, it is too late now. The agreement cannot be repealed. The cost of withdrawing from it would be too high; we have no choice but live with it."

However, Castaneda pointed out that various aspects of the NAFTA could be amended: "We must seek a compensatory financing, redefine the paragraph on resolution of controversies and the agricultural issue, invoke safeguards and special situations enabling growth, promote industrial policies, and revise the paragraph on the petrochemical industry."

As for the immigration issue, he stressed that because the government lacks policies on the matter, it cannot offset the U.S. "anti-immigrant history," which could be indefinitely prolonged beyond the neighboring country's current electoral climate. Mexico, he went on, could reach an agreement similar to the one the United States and Cuba signed, which consists of exchanging legal for illegal immigrants and granting a determined number of visas annually.

As part of the period of lectures entitled *Commitments with the Nation*, which is taking place at the Cultural Polyforum, Castaneda proposed "compensatory financing" for Mexico by its trading partners, Canada and the United States, because these countries are more developed. He mentioned Spain as an example. When it joined the European market, it received institutional support for its infrastructure from its strongest partners. "Certain Spanish roads were built with German resources."

Regarding the drug trafficking fight and military cooperation between Mexico and the United States, analyst Castaneda said: "The drug trafficking issue must be thoroughly analyzed, and we must seek a moratorium on the military cooperation about which we have talked a great deal lately. We must hold a debate on the Armed Forces' role and start protesting over the presence of the DEA in Mexico," adding that the United States intervenes in

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

domestic policies, even when it sells drug equipment, because these sales come with recommendations.

"We can obtain economic advantages as we purchase U.S. drug equipment; however, there are many political disadvantages. We must also oppose the calvary of the certifications our neighbor issues on drug trafficking matters. We have had enough of certificates of good or bad conduct!"

He encouraged all to pursue three commitments with the nation: To democratize the country, keep society united, and establish a leadership. "Everything is possible if there is democracy, if there is unity, if there is a course and leadership. Democracy cannot depend on procedures only; it needs substantial foundations. The leadership must start with the course we want to take. The country demands all of this."

Gonzalez Pedrero: "The PRI [Institutional Revolutionary Party], a Government Appendage"

Meanwhile, Enrique Gonzalez Pedrero pointed out that while the PRI "continues to be a government appendage, our political evolution will be in slow motion... if it does not turn into a true political party, it will lose its essence."

In his 10 April lecture "A Stage for Mexican Politics," which was part of the aforementioned period of lectures, Gonzalez warned that if the National Action Party (PAN) wins the presidency, the PRI "could collapse as a result of the exodus of many of its members toward the new winner."

He recounted the evolutions of the country's three main parties: The PRI, PAN, and the Party of the Democratic Revolution (PRD). As for the PRI, he affirmed that it went from a "party of parties" to a "party of sectors," some of which split later to form such new political parties as the People's Socialist Party, the People's Party, and the PRD itself.

Regarding the PAN, which was founded in 1939 to offset Lazaro Cardenas' popular policies, Gonzalez pointed out that "it has always distrusted the state's presence and has always preferred that of the private sector," adding that "even though the PAN's economic plan is very similar to a neo-liberal plan, paradoxically, it has benefited from the votes of censure the electorate has cast to reject these policies."

He also underscored that the so-called concession-making process between the PAN and the Salinas government took place because of the fact that "the neo-liberal economic policies" Salinas promoted agreed with the position the PAN has always defended.

More than a political party, he considered the PRD to be a social movement, because, he said, "it continues to feature the characteristics it had when it was founded. If it does not become an effective party, it will fail to utilize or underutilize a significant opening to the left of the political spectrum."

In Gonzalez's opinion, civilian society groups are the "most representative" groups in this end of century, and political parties must support them "without attempting to manipulate them, because it would nullify them and render them worthless."

He emphasized that the authentic path toward democracy continues to be the key political problem, "all this in an uncertain climate, ominously marked by murders, confusion, and people's mistrust, with the additional insecurity of the threat, not rejected yet, of a move toward ungovernableness."

So far, 11 of the 18 speakers scheduled to participate in the period of lectures entitled *Commitments with the Nation* have done so. Jacobo Zaidenweber, Elba Esther Gordillo, Raul Padilla, Victor Flores Olea, Vicente Fox, Manuel Camacho Solis, and Porfirio Munoz Ledo have yet to speak.

Mexico: Zedillo Speaks on Defense of Human Rights

PA1904000096 Mexico City LA JORNADA in Spanish 17 Apr 96 pp 1, 8

["Text" of speech by President Ernesto Zedillo at the inauguration of the First Congress of the Ibero-American Federation for the Defense of the People, held at the Theater of the Republic, in Queretaro on 16 April]

[FBIS Translated Text] I am very happy to be with you at the start of this important congress, which brings together ombudsmen from Latin America, Spain, and Portugal, as well as participants and observers from other nations and various international organizations. I am pleased to extend to you the most cordial welcome to Mexico.

Almost 80 years ago, in this place, the Constitution that governs our country was debated and approved. It was the first fundamental law of this century to combine the essential freedoms of the individual with social rights. Hence the relevance of holding this ceremony in the Theater of the Republic; I would like to take advantage of this opportunity to thank the people and government of Queretaro for their hospitality.

I am especially pleased to welcome the UNHCR. On behalf of the people and government of Mexico, I convey to Ambassador Ayala Lasso our deep appreciation

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

for the mission this agency is carrying out all over the world. Because Mexico has a deep commitment to that mission and fully supports it, Ambassador Ayala Lasso, I wish to take advantage of your presence here, and also as a result of our meeting yesterday, to inform you that the Mexican Government has decided to make a special contribution to the recently created UN fund of donations and field activities. With it, we want to support the prompt initiation of work involving emergency human rights cases. This special donation reaffirms our eagerness to participate in the universal advancement of human rights.

In Mexico, the struggle to create a strong, just, and efficient rule of law and to achieve full respect for human rights is rooted in our constitutional and social history. That constant struggle notwithstanding, we are aware of the serious gap that on occasions exists between the norm and reality, that we are still plagued by vices and lags in receiving and imparting justice, that the preservation of public security and safeguarding of the peace and properties of citizens is sometimes insufficient.

A heartfelt demand by the people now is that the full enforcement of the rule of law be reconciled with the unrestricted observance of the rights of every person and respect for one's dignity. We Mexicans want to live in a country of laws, where rules effectively govern our social, political, and economic coexistence, where nobody can feel above the law, and where all of us live with the certainty that we have access to an impartial, pristine, and expeditious justice.

For that reason, since the start of my government, a fundamental task has been to promote and encourage a profound transformation of our systems of justice and public security. Through a profound constitutional reform, we have provided the groundwork to invigorate the judicial branch in order to endow the Supreme Court of Justice with a true autonomy, expanding its functions, and strengthening the republican balance among the state branches and guaranteeing the constitutionality of the laws. Likewise, this reform, has established the organizational groundwork that provides judges and magistrates with conditions of independence and stability so they can act with impartiality, honesty, and an unswerving adherence to the law.

These reforms laid the groundwork so that citizens can gain confidence that justice will not lean in favor of political or economic power, will not tolerate impunity, and will be imparted with objectivity.

This is a transformation that entails arduous and continuous work, as well as the unyielding commitment to reinforce the rule of law.

The strength in the transformation of our system of justice rests on the progress it is making based on the Constitution, the strengthening of the laws, and respect for human rights.

Just as we are clearly aware of our challenges on matters that deal with receiving and imparting justice and public security, we also know that it is necessary to preserve the strengthening of the defense of human rights.

The government of the Republic has never attempted nor will it attempt to hide the real problems we have in the observance of human rights.

Any action that hampers the exercise of civil liberties elicits a perfectly legitimate concern, and the outrage against any human rights violations is justified.

I reaffirm that violence is absolutely censurable, no matter where it comes from, and that it is not a legitimate way to prevent conflicts, settle differences, and vindicate offenses or defend interests. Every government has the unavoidable responsibility of ensuring that within its purview, individual guarantees and human rights will be protected. This is intrinsic in the discharge of every public job.

Everyone needs to redouble efforts so those entrusted to keep watch on public order, to protect people's lives and property, and to ensure justice do so with the necessary preparation, wisdom, and professionalism and with full respect for human rights, particularly freedom of expression as well as the individual's dignity.

We have spoken clearly, objectively, and honestly about these problems and also have committed our firmest resolve to attend to them.

As you well know, these problems are in no way exclusive to Mexico. Countries with significant development and long democratic traditions experience similar problems, even worse ones, heightened by racism and discrimination.

It is the responsibility of every state to guarantee the human rights of everyone in its territory, regardless of their migratory status.

The Mexican Government has repeatedly voiced its strongest protest about the violations of the human rights of our fellow citizens in U.S. territory. We are offended by the attack on the dignity of our fellow citizens and are profoundly insulted by the mistreatment and intimidatory acts against their personal safety, even the loss of life.

We are aware of the political climate and motivations behind these attacks; that is why we have stepped up the acts of protection the Mexican consulates are

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

carrying out in accordance with international law. We are strongly using every legal and diplomatic means so no violation will remain unpunished and to avoid its recurrence.

I reiterate today that we shall continue, with full conviction and intent, to defend our fellow citizens and will do everything possible so local authorities will review the methods used to handle undocumented people under arrest.

Likewise, we shall avail ourselves of international human rights organizations so they may examine the cases and make appropriate recommendations.

In addition, we shall expedite our efforts to attain the quick enforcement of the United Nation's International Convention for the Protection and Rights of Migrant Workers and their relatives.

I will soon be forwarding to the Senate of the republic a request that Mexico ratify it.

I have instructed the Foreign Relations Secretariat to urge the U.S. Government to do likewise so this international means may help in the respect for the dignity and rights of those who emigrate abroad.

We Mexicans believe the commitment to observe the law and the commitment to defend human rights are inseparable. One cannot be favored at the expense of the other. The full exercise of individual rights is impossible unless security and calm of the social environment is guaranteed.

Thus, one of the government's main goals is to come up with standards, to put into effect institutional practices, and to encourage individual behavior so as to equate the rights of each individual with society's overall rights.

This country nearly six years ago established the Public Human Rights Commissions [Comisiones Publicas de Derechos Humanos] as a means to supplement and to ensure each person's basic rights.

These public commissions today have spread and have strengthened to the point of becoming the world's largest ombudsman system.

The work of the commissions already reaches all regions of the country. Now the challenge, as the National Commission president has pointed out, is to raise and to consolidate its efficiency in protecting fundamental rights beyond its jurisdiction.

For that reason, we have been receiving and studying with special interest the proposals made by the Federation of Public Commissions in order to incorporate into our laws new procedures to facilitate their efficiency and opportunities to carry out their activities and to make the necessary reforms to guarantee the autonomy and openness with which they must act. [sentence as published]

I am certain that those responsible for the 33 Public Organizations for the Protection and Defense of Human Rights of the Mexican Republic will greatly benefit from the exchange of experiences with the distinguished speakers and attendants of this meeting and that they will advance toward better international cooperation to promote humankind's rights and dignity.

With this certainty, I am pleased to formally declare as inaugurated today, 16 April, the First Congress of the Ibero-American Federation for People's Defenders, Ombudsmen, Commissioners, and Presidents of Public Human Rights Commissions [primer Congreso de la Federacion Iberoamericana de Defensores del Pueblo, Procuradores, Comisionados y Presidentes de Comisiones Publicas de Derechos Humanos].

I wish your work every success for the good of human rights of Ibero-American nations.

Mexico: Zedillo Says Danger of Economic Collapse Gone

PA1904011096 Mexico City Radio Red Network in Spanish 2300 GMT 15 Apr 96

[Report by Victor Manuel Zuberza and Martin Espinoza; from "The Night Monitor" newscast]

[FBIS Translated Text] [Espinoza] President Zedillo met with his economic cabinet and with Securities Exchange people holding their 7th Securities Exchange Convention. Let's listen to Victor Manuel Zuberza, because important things were said there about the government's position on how to get out of the crisis.

[Zuberza] Many analysts and columnists have said Mexico's recovery will not begin until 1997. Certain business leaders last week questioned the government's goals and objectives. At the opening of the 7th Securities Exchange Convention at the Camino Real Hotel in Mexico City, President Ernesto Zedillo confronted these commentaries, reported on the country's situation when the crisis erupted in 1994, and admitted that the road ahead will remain a difficult one. The president said no one, including the government, has said our country's economic problems are over. Zedillo said that there is no room for self-back patting and stated that the government has objectively pointed out the progress that has been made and the challenges to be resolved as we work for recovery.

Zedillo said that because of the extent of the crisis, expressions of self-back patting would be offensive to the people but that it also would be inadequate to ignore

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the efforts being made and the initial results of the strategy to revolve economic problems.

The president said the danger of economic collapse has vanished. He said the government has taken the path entailing the least sacrifices. He said the country would be in worse shape had decisions been postponed or had the government acted in a demagogic or deceiving manner. He said the crisis has not been used as a pretext for not looking after social problems or for acting in an authoritarian way:

[Begin Zedillo recording] The crisis has not been used as a pretext to act in an authoritarian way or to tolerate violations of the citizens' guarantees and rights. During my administration, we have defended unrestricted respect for human liberties. Our commitment with talks, negotiations, and the search for agreements to strengthen our democracy is backed by facts. [end recording]

Zedillo said that some of the positive results of the recovery process are a stable exchange rate, the return to international financial markets, a decreasing inflation, a trend that will become more evident in May, and the recovery of the GNP.

He said the damage produced by the crisis will not heal suddenly, something which will be done through sustained development.

The meeting at the Camino Real Hotel was also attended by economic cabinet officials, the governor of the Bank of Mexico, the finance secretary, and business leaders.

[Espinoza] We can infer three important points from this presidential message on Mexico's finances; first, that the same path will be maintained. The economic cabinet has stated that the chosen path is adequate, that we would have slid down to an economic collapse had it not been adequate. The president alerted, though, that the road ahead will still be a rough one.

[Zuberza] Right; this is the tone of the message. The government has stated that recovery will begin in 1996; this statement was not said in this morning's speech.

[Espinoza] We reviewed this morning's speech by the president. He said 1995 began the most acute phase of the inflation increase. To illustrate this assertion, the president said that the monthly inflation rate in April 1995 was 8 percent, and that in 1996 the April inflation rate is expected to be below 2.8 percent despite the inflation rate increase that took place on 1 April as a result of the new phase of the Alliance for Economic Recovery.

There are other aspects of this speech that must be pointed out because of the criticism financial experts have made. This criticism has been expounded in programs dedicated to analyze financial matters. These experts disagree with the government's position that the country is pulling out of the crisis. Some experts say we are immersed in the worst part of the crisis.

The president said: We were distributing 1.25 million school breakfasts daily before the crisis; now we are distributing more than 2.6 million. During the first two months of the year, January and February, the country's trade balance was for more than $1 million, in contrast to the almost $3.2 billion deficit of the two months prior to the onset of the crisis. Total exports for the first two months of 1996 were 20 percent above the figures for the same period of 1995.

He then said the Treasury Certificates rate, which was more than 90 percent at one point, has decreased 16 points from the 52 percent level it had in November 1995. Zedillo also spoke about the exchange rate.

There is one last point I want to mention to illustrate what the president said. If the trend of the past three quarters prevails, we will see during the second quarter of this year, that is, April, May, and June, a significant increase in the productive activities of various sectors, and this will be mirrored in the quarterly GNP figures, which will be close to last year's percentage figure for the same period. The economy will grow almost 5 percent, according to what President Zedillo said.

Mexico: Ortiz Reaffirms Economic Reform 'Irreversible'

PA1804182496 Mexico City Radio Red Network in Spanish 2300 GMT 16 Apr 96

[From the "The Night Monitor" newscast]

[FBIS Translated Text] Regardless of ideological labels, the economic policy of President Ernesto Zedillo is the only course that will allow the solid and sustained recovery of the economy. Making that remark, of course, was Finance and Public Credit Secretary Guillermo Ortiz. Let us go to Antonio Guzman who has this report. Good afternoon, Antonio.

[Guzman] Good afternoon to you and our listeners. Indeed, Secretary Ortiz made that statement during his participation as the first speaker during the last working session of the seventh stock market meeting. There, he said that in view of the proposals that offer groundless expectations of economic recovery, the government simply decided not to change its course, since what the country needs is to foster production and jobs, which will only be achieved by increasing investment and the efficiency of production.

[Begin Ortiz recording] There can be no growth process that can take place in a framework of uncertainty and

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

inefficiency. For that reason, regardless of ideological labels, the economic policy instruments that the state is employing have the ultimate purpose of fostering the conditions for a solid and sustained recovery of the Mexican economy. [end recording]

[Guzman] At this event, he made an assessment of the evolution of the country during the crisis. He added that problems, such as the risk of insolvency in view of the foreign debt, the public debt, which was reduced in 1995 to almost half the amount it totaled in 1994, and the risk of widespread disruption of the banking system, were overcome. He also said that gradual, yet sustained recovery of consumption and investment will be seen in the coming months.

[Begin Ortiz recording] No matter what others have said, we are not creating false expectations regarding recovery. The stabilization conditions, and available indicators show a clear trend with regard to the lowest point reached in mid-1995. [end recording]

[Guzman] He added that the fiscal balance will be maintained, as it is a source of stability and certainty. The government will also maintain sound public finances and continue to encourage domestic savings and structural changes, because, he reiterated, economic reform in Mexico is irreversible. [Begin Ortiz recording] We will not fall into the temptation prompted by some voices encouraging a short-lived growth based on public spending or the relaxation of the monetary policy. [end recording]

Mexico: Secretariat on Swap of Brady Bonds for New Bonds

PA1804145496 Mexico City Radio Red Network in Spanish 2300 GMT 17 Apr 96

[Report by Antonio Guzman; from the "Night Monitor" newscast]

[FBIS Translated Text] [Announcer Martin Espinoza] To extend debt payment terms and decrease its costs, just hours ago our government announced a new mechanism, which according to international analysts, has surprised world financial markets. Antonio Guzman will give us details about this mechanism. Hi, Antonio.

[Guzman] Hi, Martin; good afternoon. The Mexican Finance Secretariat reported today that it urged Mexico's foreign creditors, to whom the country owes money, that is, dollars, and who are holding Brady Bonds, which were issued in 1989 as part of that year's foreign debt restructure, to swap such bonds for a new bond called the Global Bond.

The secretariat's document does not specify the benefits for creditors in this Brady Bond-for-Global Bond swap. The secretariat explained in its communique that 30-year Brady Bonds will come due in the year 2019 and the new 30-year Global Bond will come due seven years later, that is, in 2026. This extends the average payment term of the public debt, and this is among the benefits of this mechanism, according to the Finance Secretariat.

It added that the Global Bond, as opposed to the Brady Bond, will not offer a specific guarantee. The secretariat recalled that the Brady Bonds were guaranteed with Zero-Coupon Bonds from the U.S. Treasury Department.

This communique provides technical information, such as the issuance amount that the Finance Secretary will determine in keeping with the country's best financial interests. It also noted that the offer to swap Brady Bonds for Global Bonds starts today and will conclude on 30 April. The price of the Global Bond will be determined at the end of the exchange period via an auction.

The Finance Secretariat pointed out $23.1 billion in Brady Bonds are currently in circulation, and it added that this operation will bring about considerable savings to the country that will be used to pay short-term liabilities, that is, debt acquired in the short term, and this will be possible thanks to the seven-year extension achieved through this kind of long-term debt instrument, 30 years, and this, the Finance Secretariat pointed out, will allow the country to meet short-term debts that will come due.

[Espinoza] There is an important point here, Antonio, and that is trust. Analysts say that the fact that foreign investors will buy these longer-term bonds without specific guarantees suggests that these foreign investors are reportedly more confident about the development of national finances.

[Guzman] That is correct. That is what has been said. We will have to wait and see the results of this process.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Honduras

Honduras: Political Asylum Granted to Haitian Military

PA1804191796 Panama City ACAN in Spanish 1729 GMT 18 Apr 96

[FBIS Translated Text] Tegucigalpa, 18 Apr (ACAN-EFE) — Foreign Minister Delmer Urbizo Panting has reported that the Honduran Government today granted political asylum to two Haitian military coupists arrested in the Dominican Republic.

Urbizo stated that "a decision has been made to grant the asylum" to former Police Chief Michel Francois and former Port-au-Prince Mayor Frank Romain.

Francois and Romain were arrested by Dominican authorities on Friday, 12 April, along with other Haitian military members, who were reportedly involved in a conspiracy to overthrow Haitian President Rene Garcia Preval.

Urbizo said that the Haitians will arrive in Honduras "over the weekend or on Monday."

Panama

Panama: President To Consider Clinton Proposal on Bases

PA1604190096 Panama City Telemetro Television Network in Spanish 1730 GMT 16 Apr 96

[From the "Telemetro Reports" newscast]

[FBIS Translated Text] Panamanian President Ernesto Perez Balladares said in Paris today that he will consider President Bill Clinton's proposal to maintain a U.S. military presence in Panama beyond the year 2000. The president said that Panamanians largely favor the military presence, primarily for economic and employment reasons. The president also commented on the possible creation of an inter-American counternarcotics center on one of the military bases along the canal. This civilian center would have a military feel, armed with the weapons and equipment needed to carry out its mission.

Panama: U.S. Government Revocation of Visas 'Dreaded'

PA1804175196 Panama City EL PANAMA AMERICA in Spanish 18 Apr 96 p 1A

[From the "Pulse of Panama" column]

[FBIS Translated Text] The U.S. Government revoking visas is as dreaded as its "decertifying" a country for not contributing to the war on drugs. Several Colombian citizens recently felt the effects of this measure, stemming from the crisis within Ernesto Samper's government. Panamanian citizens are just now beginning to feel the effects. It is expected that only several names will be published at a time to ease the blow. The measure causes great discomfort to those who have businesses, clients, suppliers, relatives, friends, or properties in the United States and those who want to visit the country for medical reasons, as tourists, or otherwise. The U.S. Government visa is perhaps the most highly revered in the world; hence, the tremendous impact of revoking these visas for political purposes or with an aggravated criminal connotation that could stigmatize those affected by the decision. The measure lends itself to abuses and discriminatory practices, albeit under the guise of defending national sovereignty.

Panama: Former Official Refutes Gelbard's Statements

PA1804183096 Panama City EL PANAMA AMERICA in Spanish 16 Apr 96 p 7A

[Article by former Foreign Minister Jose R. Mulino: "Statements That Hurt"]

[FBIS Translated Text] I have read without surprise the recent statement by Robert Gelbard, assistant secretary for international narcotics and law enforcement affairs. In a general context, his remarks are the same he made earlier, but their message hurt our prestige and downplay the enormous efforts that Panama has been making since 1990, in every matter related to the war on drug trafficking, regardless of how much concern he may show, and how much praise he may heap on the Panamanian Government.

No matter what Mr. Gelbard may say, since 1990 Panama began to adopt novel legal measures and cooperate with agencies of the two governments for that purpose. In letter 158/94 of 11 February 1994, that I, as foreign minister, sent to then U.S. Ambassador Deane Hinton, rejecting strongly similar remarks Gelbard made at that time, I gave him a 12-point list that summarized all the measures, laws, conventions, and cooperation that Panama had until that date carried out to fight drug trafficking with the United States, as well as with Colombia, Central America, Canada, United Kingdom, and Mexico, and at the internal level also. Many of those decisions were costly from a domestic standpoint. Others were highly disputed, such as the TALM [Mutual Legal Assistance Treaty] and the Joint Patrol Accord in our seas. Despite the stress, urgency, and interest on the part of the United States to adopt the latter, it was never implemented and not on account of anything attributable to Panama. With great responsibility and after many consolations, the Legislative Assembly approved the Vienna Convention of 1988 on the illicit trafficking

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

of drugs and psychotropic substances and a Cash Declaration was established for those entering our country. Everything was done for the sole purpose of advancing in those aspects that remain of fundamental importance. In addition, the Law 23 of 1986 dealing with drug trafficking was modified and updated, among the many decisions made.

Perhaps the differences arose then on account of our express refusal to allow the United States, under the guise of cooperation and bilateral assistance on drug matters, to act in Panama outside our legislation and in many instances to take over functions that solely and properly fall within the purview of Panamanian authorities. Such was the case involving a businessman where DEA agents acted in an open and arbitrary fashion using U.S. Embassy car plates. They allegedly had strong evidence but it fell apart a few days later when the order to release the arrested man was issued. This situation prompted the Foreign Ministry to summon U.S. Ambassador Hinton for the purpose of putting a stop to these mechanisms, that on account of the way they were being implemented, had repercussions on the willingness of the government and authorities to cooperate and engage in mutual assistance actions.

The same thing happened on 2 September 1993 when a DEA agent snatched a camera from a Panamanian reporter while she was covering a judicial proceeding. This action led to the reaction by the Foreign Ministry (Letter 734/93 of 15 September 1993), a public apology by the U.S. Embassy, and the warning by Panama that the next time the U.S. official would be asked to leave the country. On another occasion, DEA agents, without the knowledge or authorization of Panamanian authorities, went to Puerto Obaldia to meet with Panamanian officials, something that prompted the Foreign Ministry to establish the requirement that Panamanian authorization had to be obtained beforehand to hold these coordination meetings.

The same thing happened with extradition requests and the veiled demand that they be granted in total noncompliance with the terms of the treaty in effect on the matter or the evidence Panama had to evaluate. In many instances, there was unhappiness because it was not possible to maintain the arrest or grant the extradition since there were no grounds for it. The U.S. officials, however, wanted to go ahead with the proceedings almost based on the principle of reverse burden of proof [inversion de la prueba], something our legislation does not allow. Most of the time, however, when the law was complied with, the extraditions were granted.

Perhaps for Gelbard these problems meant little willingness to cooperate, the same regarding verbal observations they made to us on things that could be resolved and were resolved, and others, which we admitted existed, but did not have the material capacity to remedy them due lack of resources, which were not offered. Other cases required that existing laws be modified at times when the executive branch did not have the Legislative Assembly's required political majority to ensure such approvals.

Never did Gelbard, Hinton, or anyone else present a convincing report on the "billions that are laundered" in Panama. Whenever there was acceptable evidence it was acted upon, but those figures were never substantiated regarding the how, where, and amount. Just to mention one example, we need only recall the detention of several Panamanians in Tampa, supposedly, according to Hinton, in an operation that would show the volume of money laundered in Panama. A jury declared them innocent after 18 months.

During a visit to the State Department in March 1994, I formally invited him to come to Panama to meet the appropriate authorities, bankers, lawyers, and representative groups, to discuss the topic in detail and learn exactly of his government's observations. They let the time go by and after the May elections they told us that they preferred to speak and come to an agreement with the new government.

As far as the United States is concerned, the effort is always insufficient and for Gelbard the questions to Panama will always be on amounts and elements that hopefully one day he will clarify and explain. This will allow us to realize with some basis, the magnitude of the problem, which I recognize exists, but if we follow Gelbard's data we will have to conclude that all Panamanians are criminals, which is something I categorically reject.

I hope that the current good relationship with the United States leads toward a moderation of public statements by its officials when they refer to this subject. If this is achieved, we will have at least extracted some benefit from the special relation that both countries today maintain.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Argentina

Argentina: Buenos Aires Governor Meets With U.S. VP

PY1804152096 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1113 GMT 18 Apr 96

[Item by unidentified special NA envoy]

[FBIS Translated Text] Washington, 18 Apr — U.S. Vice President Al Gore has defined Argentine President Carlos Menem as "one of the best friends" his country has "in the whole world" and asked how the president is bearing up.

During his meeting with Buenos Aires Province Governor Eduardo Duhalde, Gore indicated that he is well informed about the situation in Argentina, and asked the governor to give Menem his personal greetings.

Duhalde told the Argentine media about his meeting with Gore on 17 April, and added that the U.S. vice president defined Menem as "one of the best friends the United States has in the whole world."

Gore told Duhalde: "President Menem is one of the best friends the United States has in the whole world, not just because he established our country as a good trade partner of the United Stated, but also because he is a leader that supports democracy in the world." [paragraph as received]

Duhalde later made it clear the meeting was of a protocol nature, and defined the U.S. vice president as a "very charming" man.

Gore was interested in knowing how President Menem was bearing up following the death of his son Carlos Menem Jr. in March 1995.

The U.S. vice president also spoke briefly with Duhalde about the economic integration prospects in the American continent as a whole.

Argentina: UK's Major Greets Menem, Confirms Negotiations

PY1904014796 Buenos Aires TELAM in Spanish 2022 GMT 18 Apr 96

[FBIS Translated Text] Buenos Aires, 18 Apr (TELAM) — The Foreign Ministry reported this afternoon that British Prime Minister John Major was grateful for President Carlos Menem's gesture of sending him greetings through the UK secretary of state for foreign [and commonwealth] affairs and confirmed the United Kingdom's decision of discussing its goal of collecting fishing fees in South Georgia Island.

Major's note, which was sent to the president and distributed by the Foreign Ministry today, says: "I am grateful for your gesture of taking the trouble to phone Malcolm Rifkind in Iguazu last weekend and for the message that you gave him for me."

In a gesture that was described as politically very significant by diplomatic circles, President Menem phoned Rifkind last weekend, while the British diplomat was meeting Foreign Minister Guido Di Tella, and sent greetings to Major.

The British prime minister's note adds: "It was a pleasure for me to learn that Mr. Rifkind and Dr. (Guido) Di Tella had shared a good meeting."

Major was also satisfied because "in the near future officials from the two countries will be discussing the issue involving fishing in the South Georgia Island, within the CCAMLR (Convention on the Conservation of Antarctic Marine Living Resources) framework, and other fishing issues in the South Atlantic."

The British acceptance of revising its unilateral decision of requiring the payment of fees from trawlers approaching the South Georgia Island was the key to unblocking the fishing negotiations between the two countries.

Di Tella explained the situation to UN Secretary General Butrus Butrus-Ghali yesterday, but warned that it is necessary to discuss the Malvinas sovereignty issue, on which the British refuse to negotiate, to avoid tensions between Argentina and the United Kingdom.

In his letter, Major does not mention Di Tella's presentation to the United Nations, but points out that "a long-term agreement on fishing in the South Atlantic that duly takes into account conservation requirements will be beneficial for all sides and will foster other points of the unilateral [as received] relations."

The British prime minister ultimately responded to Menem's hopes for the development of the bilateral relations, pointing out that "I share your hopes for them to continue to progress."

Argentina: South Atlantic Fishing Discussed at IPU Meeting

PY1804163496 Buenos Aires TELAM in Spanish 1809 GMT 16 Apr 96

[Report by unidentified TELAM special correspondent in Istanbul]

[FBIS Translated Text] Istanbul, Turkey, 16 Apr (TELAM) — Argentina's continued defense of its sovereign rights over the Malvinas Islands and other usurped territories in the South Atlantic, and the warning it conveyed to Britain to refrain from undertaking more unilateral actions today renewed the controversy

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

between Argentine and British legislators within the Inter- Parliamentary Union [IPU].

Addressing the plenary session of the 95th IPU Assembly in this city, [Justicialist Party, PJ] Senator Eduardo Menem, who leads the Argentine delegation, said: "At the threshold of the 21st century, colonialism should not, and must not, continue to be legitimate." He called upon participants to eradicate colonialism, "irrespective of the state that furthers this policy."

Senator Menem sounded a note of warning, saying that even if Britain is intent on collecting fishing licenses in the South Atlantic, Argentina "would never consent" to anything that denotes "implicit acknowledgement" of UK sovereignty [over the South Atlantic islands], a right assumed by Britain.

The Argentine delegation comprises Senators Augusto Alasino (PJ), Juan Carlos Oyarzun (Tierra del Fuego Popular Movement), and Luis Leon (Radical Civic Union), among others. Menem confirmed that the only path Argentina contemplates to assert its rights is via diplomatic negotiations and through peaceful means.

Notwithstanding, Menem underscored: "We want a deep, frank, and open negotiation in good faith." He urged Britain "to join us in this endeavor by reviewing its position, abstaining from taking unilateral actions, and agreeing to discus the substantive matter imbued with a will to negotiate."

The tone in which Menem delivered his speech sparked an immediate reaction from the British. The UK delegation submitted a complaint to the chair demanding the floor to exercise its right of rebuttal.

The Argentine position was endorsed not only by representatives of the Latin-American Parliament, but also by those countries that have similar claims against UK colonialism, like Spain, which is pressing for Britain's return of Gibraltar.

Concrete motions by Latin-American Parliament representatives and heads of the Spanish and Venezuelan delegations seconded Argentina's stance.

Argentina: Di Tella Meets With UN Secretary General

PY1904004396 Buenos Aires LA NACION in Spanish 18 Apr 96 p 7

[Article by Ovidio Bellando]

[FBIS Translated Excerpt] Argentina has urged the United Nations to promote the negotiations with the United Kingdom on the Malvinas Islands sovereinty issue and an open agenda for controversies.

During a talk between Foreign Minister Guido Di Tella and UN Secretary General Butrus Butrus-Ghali in New York yesterday, the foreign minister told Butrus-Ghali that serious incidents had occurred over the fishing issue, incidents that could have undesirable consequences and that could happen again. [passage omitted]

The foreign minister told LA NACION that he had explained to Butrus-Ghali the incidents that occurred in South Georgia Island, and subsequently asked for his participation with regard to holding talks on sovereignty.

[Bellando] What was your interlocutor's response?

[Di Tella] Butrus-Ghali responded that my presentation agrees with the General Assembly's successive declarations (advising the commencement of negotiations) and subsequently issued a declaration, expressing hopes that the two governments would pursue their talks.

[Bellando] Can he intervene?

[Di Tella] The mandate given to the UN secretary general has not expired; it remains in effect. [passage omitted]

Foreign Ministry sources noted yesterday that Argentina has never given up its claim on the Malvinas Islands at the United Nations and that, even though Argentina did not resort to the General Assembly in the past few years, it continued to discuss this issue in the Decolonization Committee.

Even bearing in mind the latter point, it can be perceived that yesterday the foreign minister again raised the issue at top levels: The General Secretariat and the Security Council.

Future actions will tell if this responds to a strategy or if it represents a response to some criticism. Nevertheless, it is not possible to dismiss the chance that this strategy is aimed at neutralizing the opponents' complaints and preventing a trend prevailing in the international community: the birth of micro-states [microestados], an idea that might interest the Malvinas inhabitants.

Argentina: Petrella Supports Cease-Fire in Lebanon

PY1804225096 Madrid EFE in Spanish 1133 GMT 18 Apr 96

[FBIS Translated Text] Buenos Aires, 18 Apr (EFE) — Argentine Vice Foreign Minister Fernando Petrella announced today that his country would send humanitarian aid to Lebanon and expressed the hope that violence between Arabs and Israelis would cease.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Petrella told Radio Continental of Buenos Aires: "It is essential for the two sides to stop the violence so as to reinstate peace talks."

Petrella pointed out that the Argentine Government had accepted a Lebanese petition for the sending of humanitarian aid to the area involved in the conflict with Israel.

The Argentine vice foreign minister avoided voicing an official opinion on the seven-day successive attacks launched by the Israeli Army on Lebanese territories where the pro-Iranian group Hizballah is operating.

Argentina has just sent "White Helmets," a group of doctors and sanitation experts established under the auspices of the United Nations, to the Gaza Strip and the West Bank areas that are under the administration of the Palestinian National Authority, presided over by Yasir 'Arafat.

Suhail Hani Akel, Palestinian representative in Buenos Aires, expressed appreciation for Argentine President Carlos Menem's "humanitarian and solidaristic action." Menem was called "a friend of Palestine and champion of peace among the nations" by Akel.

Argentina: 'Immediate' Cease-Fire in Middle East Endorsed

PY1904014096 Buenos Aires TELAM in Spanish 0036 GMT 19 Apr 96

[FBIS Translated Text] Buenos Aires, 18 Apr (TELAM) — President Carlos Menem tonight asked "for an end to the vicious circle" of violence in the Middle East. He endorsed negotiating "an immediate cease-fire agreement."

Now that the crisis in that conflictive region has been seriously aggravated with the bombing of Lebanon, in which civilians were killed, the president emphasized Argentina's "firm calling for peace."

In an official communique released tonight, Menem points out: "The images of innocent civilians, children and old people, who have been killed, seriously injured, and sentenced to experience a tragedy, require political analysis."

Menem emphasized: "As a political method, violence merely breeds more violence and destruction, and the impossibility of becoming engaged in the task of striving for the nations' increased well-being."

Menem recounted that Argentina "has enthusiastically committed itself to supporting the peace negotiations in the Middle East and all the steps taken toward a global, fair, and permanent agreement for the problems in that region."

Menem deemed it imperative "to emphatically call on the Israeli Government, the Lebanese Government, the governments of the other countries involved in the conflict, and the international community to end this vicious circle of violence through an immediate cease-fire agreement."

The president emphasized: "This represents a basic and unavoidable condition for making every effort in the pursuit of formulas for a peaceful solution, in keeping with international law and observing the UN resolutions."

Argentina: Spain's King Calls Menem on Middle East Crisis

PY1904015696 Buenos Aires TELAM in Spanish 0012 GMT 19 Apr 96

[FBIS Translated Text] Buenos Aires, 18 Apr (TELAM) — King Juan Carlos of Spain and President Carlos Menem today committed themselves to reviewing actions that will contribute to solve the Middle East crisis, which has been seriously aggravated over the past few hours.

Government sources announced that the Spanish king called the Argentine president over the phone this afternoon to review this issue.

King Juan Carlos called Menem, as he "is aware of the president's concern over this issue and his negotiations" to prevent the process of peace negotiations from failing, the sources said.

King Juan Carlos and Menem agreed "to keep in touch" now that the Middle East situation has become notably complicated over the bombings of Lebanon, and to review "every effort that they can make to preserve peace," the sources pointed out.

Argentina: President Meets Bahamian PM Ingraham

PY1804172596 Buenos Aires TELAM in Spanish 0109 GMT 18 Apr 96

[FBIS Translated Text] Buenos Aires, 17 Apr (TELAM) — President Carlos Menem today met with Bahamian Prime Minister Hubert Ingraham at Government House. They discussed matters of bilateral interest.

The meeting was held at about 2000 at the president's office with the participation of William Allen, Bahamian Planning and Public Services minister; Bahamian Central Bank Governor James Smith; and Bahamian Cabinet Chief Teresa Butler.

Argentine Cabinet Chief Jorge Rodriguez; Economy Minister Domingo Cavallo; and Jose Vignolo, director

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

for the Central American and Caribbean desk of the Foreign Ministry also participated in the meeting.

After his meeting with the Bahamian prime minister, the president left Government House at about 2100 for the Olivos presidential residence, thus ending his official activities for the day.

Argentina: Officials on Possible Menem Reelection

PY1804162096 Buenos Aires CLARIN in Spanish 17 Apr 96 pp 2, 3

[FBIS Translated Excerpt] Argentine Ambassador to Washington Raul Granillo Ocampo emphasized yesterday that the United States would consider the reelection of President Carlos Menem as "excellent" news. Granillo Ocampo, an ultra-Menemist leader, said: "He has a very strong image in this country. Here he is considered the father of the transformation" of the economy.

Granillo Ocampo told Radio Mitre that, in accordance with the new government attitude, the choice of Peronist [Justicialist Party] candidate for the next presidential elections "will be made in 1997 or 1998 after some time has passed and when things have been proven. The Argentine people will then make that decision."

UCR [Radical Civic Union] deputies denounced over the weekend that Menemists were contemplating the possibility of Menem's second presidential reelection through a popular initiative that they would sponsor. The report, surprisingly, elicited no reaction from Buenos Aires Governor Eduardo Duhalde, who is touring the United States. Duhalde merely said that the deputies "will know what to do" when the issue comes up on the congressional agenda. [passage omitted]

Duhalde's closest circle of advisers last night feared that a new controversy on Menem's reelection could overshadow Duhalde's tour. They did not rule out the possibility that one of the purposes of the ultra-Menemists could be just that.

The latest ploy used by a Menemist group, which includes Deputy Cesar Arias, to raise the issue of a second presidential reelection consisted of opening the possibility of a new constitutional reform through a future law on popular initiative.

Popular initiative is one of the mechanisms incorporated into the new Constitution that has yet to be regulated by law. Recently the Justicialist Party speeded up proceedings to have the bill approved. [passage omitted]

UCR and Frepaso [Front for a Country in Solidarity] repudiated the eventual attempt by the ruling party to force a new reelection of the president.

While UCR and Frepaso leaders were up in arms about the issue, ultra-Menemist deputies visited the president at Olivos and again mentioned the issue of a new reelection, which they placed "in the hands of the people."

Within this new climate, officials who until two weeks ago flatly denied the possibility of a second presidential reelection are today quiet. One case in point is Interior Minister Carlos Corach, who yesterday told CLARIN: "I have no position on this issue."

Presidential Secretary Alberto Kohan did not want to go any further either: "I do not have an opinion. I only want the Justicialist Party to continue to rule the country in 1999. This is why we must rule well."

Cabinet Chief Jorge Rodriguez said: "We must do our best to rule the country, avoiding this type of discussions. The reelection issue was brought up by newspapers and the opposition. We must respect the Constitution." [passage omitted]

Argentina: 'Accounting Tricks' Said To Hide Deficit

PY1804123796 Buenos Aires LA NACION in Spanish 14 Apr 96 Economic Section p 8

[Article by Walter Graziano]

[FBIS Translated Text] Risks: Economy Minister Domingo Cavallo has been hiding the fiscal deficit through accounting tricks and the issuance of money backed by the sale of debts.

Argentine fiscal figures continue to be a reason for concern. The revelation by economist Miguel Angel Broda that the administration concocted a nonexistent 120-million pesos revenue in March to hide the truth only increases our concern further.

One should ask what would happen if the administration's invention revealed by Broda referred not only to tax revenue but also to other variables, the official figures of which private analysts have no way of checking.

Very few people doubt the fiscal deficit already totals nearly $500 million per month.

Some will ask how this deficit has been financed so far? The answer is, in a very simple manner: The Central Bank issued money that was not backed by reserves and the Treasury simultaneously asked for funds on the international markets to avoid a deterioration of the convertibility relation which, by law, cannot be less than 80 percent.

This is the reason why Central Bank financial liabilities rose from 13 billion pesos to 17.5 billion pesos in only a few months.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

So far, the solution found by the Economy Ministry has proven very simple because, due to very low international rates — like those in force until only one month ago — the country could obtain loans abroad without any problem.

The international rates were less than 6 percent per year. As a result, banks and foreign investment funds had large amounts of money left over. It was, therefore very attractive for them to invest in Argentina at substantially higher interest rates.

What Cavallo has been doing until very recently is very clear: He has maintained constant the relation between reserves and the "real" monetary base (the convertibility relation), but this has caused a deterioration in the relation between the debt and the GDP.

Things have now changed considerably. Now the long-term rates have risen in the United States by around 1 percent in only three months, it will cost more for Argentina to obtain loans abroad.

Not as many Argentine bonds are being issued abroad as in the October-January period. The international markets have run "dry" regarding our country.

The real question, therefore, is how the administration can continue to issue bonds, as it has been doing for the past few months, without deteriorating the convertibility relation — which would create more risks and uncertainties for the economic plan.

If no financing is found, the monetary base will continue to increase but without a parallel increase in reserves. It wouldn't take long for the markets to realize this — and the consequences can be easily predicted.

Perhaps this is why Minister Cavallo has been recommending the purchase of public certificates in pesos. If the price of these rose, it would be easier for him to replace the currently scarce foreign loans with bonds in pesos sold on the local market.

This type of operation would not be free from serious risks because the small size of the local market prevents the possibility of financing the current fiscal deficit for very long.

The puzzle the administration must solve is not easy. In May, debts that become due abroad will be especially high. The administration must pay about $2 billion in interests and capital on debts that become due.

If a solution is not swiftly found, there will be no solution other than to see convertibility undergo an intense deterioration — which is something nobody wants: Neither the administration nor the brokers and, less still, those who have pesos because they had absolute faith in the scheme.

We may, therefore, be approaching a serious problem; the almost certain possibility that a great deterioration of the convertibility relation is about to take place. This should be reflected in the level of reserves of the real monetary base.

This could happen unless someone decides to invent an accounting trick similar to the one Miguel Angel Broda discovered recently.

Argentina: Latin American Jewish Congress Head Installed

PY1904034096 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0204 GMT 19 Apr 96

[FBIS Translated Text] Buenos Aires, 18 Apr (NA) — Ruben Beraja, the Delegation of Argentine-Israeli Associations (DAIA) head, was installed today as president of the Latin American Jewish Congress [Congreso Judio Latinoamericano]. He strongly urged the various Latin American [Jewish] communities to unite, especially in the struggle against anti-Semitic terrorism.

During a ceremony held tonight at the Alvear Hotel of Buenos Aires, Beraja also committed Argentine authorities to securing the government's support for the Jewish community's actions against extremist terrorist groups.

Interior Minister Carlos Corach; Buenos Aires Mayor Jorge Dominguez; Federal Police Chief Adrian Pelacchi; Supreme Court President Julio Nazareno; SIDE [Secretariat for State Intelligence] head Hugo Anzorreguy; and Luis Etchevehere, Association of Argentine Press Organizations [Asociacion de Entidades Periodisticas Argentinas] president, among others, were present at the ceremony.

During his installation as Latin American Jewish Congress president, Beraja emphasized the significance of worldwide globalization of Jewish community actions. He underscored the Jewish community's goal of achieving top integration with the various democratic sectors.

Before World Jewish Congress President Edgar Bronfman, the DAIA head emphasized the possibilities of projecting internationally the actions taken in Latin America.

With the installation in his new post, the DAIA head has become the top Latin American Jewish leader for the next five years.

Beraja was proposed for Latin American Jewish Congress president by his Brazilian predecesor, who acknowleged the significance of Beraja's actions, after the attacks on the AMIA [Argentine-Israeli Mutual Association] headquarters and the Israeli Embassy.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Bolivia

Bolivia: Foreign Minister Confirms Bid for UNSC Seat

PY1904031896 La Paz PRESENCIA in Spanish 10 Apr 96 Section 1 p 6

[FBIS Translated Excerpt] Cochabamba — Bolivia has made official its candidacy for a seat in the UN Security Council and requested the support of the Latin American and Caribbean countries for this candidacy. Bolivia wants to occupy the position Honduras will vacate, Foreign Affairs and Worship Minister Jaime Aparicio Otero announced yesterday.

The decision was made because Bolivia is prepared to occupy this representative position, the minister explained. He pointed out that the country has undergone a series of transcendentally important changes, such as the strutural reforms that the administration has been conducting and that have become known beyond our borders.

In addition, the minister emphasized that the country has achieved an aggressive policy in its international relations, thus allowing Bolivia to aspire to a place in the UN entity, which is made up of 15 member countries. Five of these are permanent members and 10 are non-permanent. The non-permanent member countries represent different regions of the world. [passage omitted]

Several countries have publicly announced their support for the Bolivian candidacy. The Dominican Republic and Costa Rica, however, have also reported that they are candidates for a seat in the UN Security Council.

Bolivia: Social Communications Minister Alcaraz Resigns

PY1904004096 La Paz Radio Cadena Nacional Network in Spanish 2300 GMT 18 Apr 96

[FBIS Translated Excerpt] The president of the Republic got out of bed on the wrong side and had a partial cabinet crisis as breakfast. This situation was prompted by the irrevocable resignation tendered by Social Communications Minister Irving Alcaraz, who, in a letter, announced his departure from the government. [passage omitted]

As he is considering new names for the cabinet, the president appointed Minister of the Presidency Guillermo Justiniano as acting social communications minister, Justiniano himself confirmed. [passage omitted]

According to the letter of resignation, Alcaraz took this step for strictly personal reasons. After this resignation, the possibility of further changes in the government team has not been ruled out.

Bolivia: Judicial, Antidrug Agreement Signed With Italy

PY1804012596 Madrid EFE in Spanish 1905 GMT 16 Apr 96

[FBIS Translated Text] La Paz, 16 Apr (EFE) — It was reported today that Italy and Bolivia have signed a judicial and antidrug cooperation agreement in La Paz.

Italian Foreign Minister Susana Agnelli and Bolivian Foreign Minister Antonio Aranibar signed a judicial cooperation agreement on criminal issues by which the two countries commit themselves to fully cooperating on judicial proceedings involving kidnappings, seizures, raids, detentions, and depositions, among other points.

Agnelli arrived in Bolivia to participate in the Sixth Institutionalized Meeting of Rio Group-EU Foreign Ministers, which ended today in the city of Cochabamba, 383 km east of La Paz.

Bolivia: Aranibar Meets With Chile's Insulza

PY1904034196 La Paz PRESENCIA in Spanish 15 Apr 96 p 5

[Article by Carlos Krings Fortun]

[FBIS Translated Excerpt] Cochabamba — In reviewing the sea outlet issue that "is under discussion," Chilean Foreign Minister Jose Miguel Insulza said: "I want to assure you that we are absolutely prepared to discuss the outlet issues raised within this framework. I hope that we will be able to find a solution."

Following a lunch with Bolivian Foreign Minister Antonio Aranibar Quiroga at the Santa Ana de Cala Cala Church, Insulza emphasized that the relations between the two countries must be developed in an atmosphere of increased opening and understanding, with an eye to the future. [passage omitted]

As to the resumption of diplomatic relations, Insulza termed them unnecessary. This issue, however, has been included on the agenda. Insulza, in conclusion, said: "It is almost unnecessary to establish new relations. We will meet again at the Rio Group Foreign Ministers Meeting in May, at the OAS meeting in June, at the Rio Group summit in Cochabamba in September, at the Ibero-American Meeting in Chile in November, and at the Sustainable Development Summit in Santa Cruz in December. Therefore, I believe we will have enough meetings throughout the year to continue making headway on these issues. If it becomes necessary, however, we have agreed with Foreign Minister Aranibar to meet."

The Chilean foreign minister was accompanied by Favio Vio, Foreign Ministry foreign relations secretary, and

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Oscar Fuentes, the Chilean consul in Bolivia. The Bolivian foreign minister was accompanied by Bolivian Foreign Relations Secretary Jaime Aparicio Otero and Hermann Antelo, the Bolivian consul in Chile. [passage omitted]

Brazil

Brazil: Agriculture Minister Tenders Resignation

PY1904005596 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 18 Apr 96

[FBIS Translated Text] Agriculture Minister Jose Eduardo Andrade Vieira has tendered his resignation. He said he made the decision to leave his position before the clash between military policemen and landless people [in Para State on 17 April]. Minister Andrade Vieira said that his bank - Bamerindus — is interested in participating in the privatization program, and that this is incompatible with his remaining in the government.

Brazil: Brazilians Polled on Economy

96P2J396A

[FBIS Report] PUBLIC DEBT CONCERNS BUSINESSMEN — The majority of Sao Paulo businessmen are concerned about the rising public debt, according to a Sao Paulo Federation of Industry (Fiesp) survey. Brazil's deficit increased from R$ 73.14 billion at the end of 1994 to R$ 127.3 billion in February 1996. Of the businessmen polled, 66 percent think the public debt could jeopardize the Real Plan and threaten economic stability. Only 20 percent believe the Real Plan will consolidate itself by the end of 1996. Despite an expected 3 percent growth of GDP in 1996, 51 percent of Fiesp members polled said that they would increase productivity without increasing their work force, and 22 percent would only hire more staff if demand justified such actions. Most companies intend to increase production only by improving productivity and investing in new technology. So far this year, some 76,208 workers have been laid off in Sao Paulo State. The accumulated figure for the past 12 months now stands at 291,522. (Sao Paulo GAZETA MERCANTIL 16 Apr 96 — received via Internet)

PAULISTAS ENDORSE REELECTION AMENDMENT— According to an InformEstado poll conducted on 12 April, 61.7 percent of Sao Paulo residents interviewed favor the approval of an amendment permitting reelection of the incumbent mayors, governors, and president of the Republic. Another 29.6 percent of poll respondents disapproved of the amendment, and 8.7 percent said that they had no opinion on the subject.

The poll, conducted by telephone with a standardized questionnaire and specific questions, indicates that the people of Sao Paulo support President Cardoso's reelection: 88.2 percent answered "yes" when asked if they endorse the approval of the amendment in time for the incumbent president to become a candidate for reelection. The rating rises to 90.7 percent among respondents with a high school education, and hits 100 percent among respondents earning a family income of between 10 and 20 minimum wages.

Queried on the possibility of reelecting the incumbent mayors, 76.4 percent of the Paulistas polled favor approval of an amendment in time for mayors currently in office to become candidates. The rating is higher among respondents with a high school education (79.1 percent) and a family income of between 10 and 20 minimum wages. The poll, moreover, shows that Sao Paulo residents do not feel informed about the subject: 56.8 percent answered that they are "more or less" informed; 29.1 percent only "slightly" informed; and 14.1 percent "well" informed.

According to InformEstado polling coordinator Candida Sodre de Macedo Soares, the poll's results demonstrate the popularity of President Fernando Henrique Cardoso and incumbent mayor Paulo Maluf. (Sao Paulo O ESTADO DE SAO PAULO 14 Apr 96 — received via Internet)

POLL HIGHLIGHTS UNEMPLOYMENT CONCERNS — A Brazilian Public Opinion and Statistics Institute (IBOPE) poll commissioned by the National Confederation of Industry (CNI) reveals the public's concern with keeping their jobs. More than two-thirds of the 2,000 people interviewed in the five regions of Brazil favor maintaining job positions over an increase in the minimum wage. Respondents attributed the principal causes of unemployment to companies' lack of money, replacing employees with machines, and maintaining profit margins.

When queried as to preference of job maintenance versus minimum wage increase, 72 percent opted for maintaining the current wage in order to preserve the number of jobs. Seventeen percent favored increasing the wage even if it causes higher unemployment, and 10 percent either did not like any of the options, did not know, or had no opinion. Respondents attributed the main reasons for unemployment to the following: companies' lack of money, 26 percent; replacement by machines, 21 percent; businessmen seeking to maintain profits, 16 percent; insecurity in relation to the economic policy, 13 percent; other reasons, 9 percent; and finally, none of the above, did not know, or had no opinion, 14 percent. Asked about their fear of being unemployed,

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

30 percent said that they were very afraid, 29 percent were not afraid, 23 percent were slightly afraid, and 6 percent were already unemployed. Three percent did not know or had no opinion. (Rio de Janeiro JORNAL DO BRASIL 11 Apr 96 — received via Internet)

MINAS VOTERS POLLED ON CONGRESSMEN — A poll conducted by the Vox Populi Institute of Belo Horizonte reveals that congressmen have an obligation to arrange employment for individuals who help them get elected, according to 33 percent of the voters interviewed. In addition, 68 percent believe that deputies are obligated, when asked, to secure a hospital stay for needy individuals.

The poll, commissioned by the Minas Gerais State Legislative Assembly, was conducted in December 1995 among 1,550 voters in all of the regions of Minas Gerais State. According to the findings, 54 percent no longer remember which deputy they voted for in the last election in October 1994. The memory lapse is greater when asked to name one of the current members of the Legislative Assembly: 72 percent were unable to identify even one.

Asked to evaluate the performance of the deputies, 32 percent responded that they are doing better work today than 10 years ago; 16 percent believe they are doing worse, and 26 percent see no difference. Questioned as to how deputies should be paid, 55 percent agreed that they should not receive a salary, 78 percent concurred with the statement that they should dedicate their efforts only to congressional work and no other activities; and 55 percent agreed with the statement that deputies do not have a right to change party affiliation. A total of 65 percent of the voters polled believe that congressmen should dedicate themselves more to their bases, while only 20 percent feel that they should be more involved in the service they are performing in the Cabinet. The Vox Populi Institute interpreted the results as suggesting that the Minas voter feels that deputies are very far removed from their daily problems. (Rio de Janeiro O GLOBO 2 Apr 96)

Chile

Chile: Frei's Popularity Drops Among Socialists, PPD

PY1804031496 Santiago EL MERCURIO in Spanish 16 Apr 96 pp C1, C2

[FBIS Translated Excerpt] According to a recent poll conducted by the Center for Contemporary Reality Studies (CERC), the results of which were disclosed yesterday, the support for the government by those who identify themselves with the Socialist Party (PS) and the Party for Democracy (PPD) has dropped.

However, and unlike last year, the polls continue to reflect a positive assessment of President Eduardo Frei's administration.

According to the latest CERC poll, disclosed yesterday, 54 percent of the people approve of the government's performance, while 34 percent disapprove of it.

According to CERC, the level of support has become stable because in December 1995 the figures were also 54 percent indicating approval and 32 percent expressing disapproval.

However, according to the poll conducted by Adimark between 1 and 25 March, 48.2 percent approve of the government's performance, which represents an increase of four percent compared to the poll conducted by the same enterprise in September 1995, which revealed a 44.7 percent support level for the government.

The level of support for the government reflected in the CERC polls has been stable for the past year, with the exception of September 1995, when it experienced a strong increase as a result of President Eduardo Frei's agreement to send the constitutional reforms and human right bills to Congress and retired General Manuel Contreras' entry into the Punta Peuco prison was imminent.

The CERC poll was conducted from 13 to 25 March and it involved 1,240 people. The poll was representative of 67 percent of the overall Chilean population. All interviewees were more than 18 years of age and came from 29 different cities with more than 40,000 inhabitants. [passage omitted]

Chile: Bahamian Prime Minister Pays Official Visit

PY1804163896 Santiago LA TERCERA DE LA HORA in Spanish 14 Apr 96 p 34

[FBIS Translated Text] Bahamian Prime Minister Hubert A. Ingraham begins his first official visit to Chile with a news conference to be held at 0830 on 15 April.

He is accompanied by an entourage of more than 30 people, among them Finance Minister William C. Allen, Tourism Minister Vincent Varderpool, Central Bank Governor James Smith, and Investment Committee Executive Director Basil Albury.

The visit seeks to strengthen trade, financial, cultural and tourist ties between Chile and the Bahamas.

Ingraham will stay in Chile until 17 April. He is scheduled to meet President Eduardo Frei, high-ranking government officials, and top leaders of private institutions.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Chile: Decision To Start New Talks on 1929 Treaty Noted

PY1804013196 Santiago EL MERCURIO in Spanish 16 Apr 96 pp A1, A12

[Report by special correspondent Elia Simeone from Cochabamba]

[FBIS Translated Excerpt] The Chilean and Peruvian Governments are determined to find a simple, concrete, and mutually satisfactory formula that will allow Chile to hand over to Peru, as soon as possible, the port, customs, and railway facilities constructed by Chile for Peru's use.

Chilean Foreign Minister Jose Miguel Insulza and Peruvian Foreign Minister Francisco Tudela officially announced here their respective governments' decision to set aside the Lima Conventions and start new negotiations in search of a formula that will allow for the solution of pending issues regarding the 1929 Treaty. [passage omitted]

The two governments' decision was made official through a brief joint communique that reads as follows:

"The foreign ministers of Chile and Peru, Jose Miguel Insulza and Francisco Tudela, who are attending the Sixth Institutionalized Meeting of Rio Group-EU Foreign Ministers, met to discuss various issues related to the relationship between the two countries.

"After these talks, during which they exhaustively discussed the reasons why the Lima Conventions were not ratified, they agreed on the following:

"To formally renew negotiations for the handing over, under mutually satisfactory terms, of the facilities built by Chile for Peru's use in Arica, based on the legal framework of the 1929 Lima Treaty and its Complementary Protocol, and through the appropriate diplomatic mechanisms.

"To promote the conclusion and improvement of the instruments referring to the economic-commercial aspects of the bilateral relationship, especially the agreement to reciprocally promote and protect investments and the economic cooperation agreement." [passage omitted]

Chile: Allamand on Need for Constitutional Reform

96P20395A Santiago LA TERCERA DE LA HORA in Spanish 6 Apr 96 p 1

[By Alfredo Gonzalez P. — received via Internet]

[FBIS Translated Text] National Renewal (RN) President Andres Allamand has sent an "open letter" to the seven senators of his party who oppose the constitutional reforms. The letter states that it is aimed at "clarifying to the citizens the fundamental political problems which are of great importance for the country's institutional stability and the future of the center-right's political plans."

The letter states that the first fundamental problem has to do with a different view about the democratic identity of the center-right, since those who wish to keep the formulations of the 1980 Constitution unchanged are living in a climate heavily influenced by the traumatic collapse of the democratic system that existed up to 1973. This is a policy that is very different from the one that currently exists, "in which we believe it is essential to progress towards new institutional formulations that will respond to the current expressions of democratic thinking in the contemporary world."

The second problem is the very different evaluation of the political consequences of keeping the system for naming the Constitutional Court (TC) and appointing the institutional senators the same. With respect to the TC, Allamand says that if the reforms do not prosper, "the decisive influence of the current President of the Republic will prevail in the appointment of four of the seven members of this body in March 1997. In turn, the Coalition [of Parties for Democracy] will have an unstoppable political majority in the Senate that will extend at least until 2005."

As for the institutional senators, he asserts that if there is no reform, President Frei alone will appoint two senators he trusts, and he will directly participate in the appointment of four more; that is, he will have a decisive influence on the appointment of at least six of the nine senators who must be replaced." [quotation mark as received]

The third problem lies in the different assessment of the political impact each constitutional position will generate.

Within this framework, Allamand states that the argument that the reforms are "inopportune" is profoundly wrong, since the next few years will be ones of enormous political intensity, with three elections in a row: municipal elections in 1996, legislative elections in 1997, and presidential elections in 1999. In addition, in March 1997 new members of the TC will be appointed, and at the end of 1997 nine senators must be appointed. In March 1998 General Pinochet and Admiral Martinez Busch will leave their posts, and President Frei will appoint their replacements. In 1999 Chile will have a new president, and it is obvious that the country's institutional and political scenario will undergo a drastic change.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

In this regard, Allamand says that it is possible to foresee that "those who have defended tooth and nail the absolute rigidity of the Constitution will have to stand by powerless and see how the Coalition, when it has the legislative majorities we will have ingenuously given it, will be in a position to change the Constitution however it wants."

He adds that the changes needed to confront this new scenario should be made now, "before" the deadline dates and above all "before" the appointments—whose consequences will last for a long time—take place. "Those who argue that the reforms are 'inopportune' have the obligation to state when, in their opinion, they would be 'opportune' or simply admit that they do not want any reforms, now or ever."

Colombia

Colombia: 'Terrorist Plot' Against U.S. Embassy Found

PA1804203896 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 18 Apr 96

[From the "National Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision Television at 1915 GMT on 18 April]

[FBIS Translated Text] This just in: The authorities just uncovered a new terrorist plot, the targets this time being the U.S. Embassy, the Presidential Guard Battalion, and the CAN [National Administrative Center]. The Army's 5th Division managed to seize five cases, each filled with 20 kg of explosives. Maps were found in ELN [Army of National Liberation] hands, marked with the U.S. Embassy, the Presidential Guard Battalion, and the CAN. These appear to be the targets that urban militias planned to hit over the next few hours. A rocket [preceding word in English], a rifle, three grenades, and explosives ready for placement were also found in the vehicle that the authorities discovered. Manuals to manufacture and activate catapults were also found in the car.

[Video shows approximately six soldiers milling around a long, wooden table bearing the confiscated weapons and explosives; weapons include one rifle, one pistol, four large ammunition clips, three ammunition belts, three grenades, and one small rocket launcher; explosives include a large ball of green material with approximately six white cables sticking out of it sitting on a pile of sawdust in a wooden box and a wooden box with the side cut out of it and two white cables extending upward from the top; video also shows a two- door Mitsubishi jeep, parked behind the wooden table]

Colombia: 4 Soldiers Killed in Clashes With FARC in Meta

PA1904011796 Santa Fe de Bogota Radio Cadena Nacional in Spanish 2330 GMT 18 Apr 96

[Report by Amparo Palacio; from the "Latest News" newscast]

[FBIS Translated Text] Villavicencio — Four soldiers have been killed in clashes with FARC [Revolutionary Armed Forces of Colombia] guerrillas who have tried to seize the town of Uribe, Meta Department. The clashes, which have been ongoing for more than 30 hours, have also left four volunteer soldiers seriously wounded.

The dead soldiers are: 2d Sergeant Jorge Armando Gallego, 2d Corporal Javier Pedraza Martinez, and volunteer soldiers Orlando Jimenez and Oscar Hernan Martinez. The wounded volunteer soldiers are [words indistinct] Carlos Garcia Orozco, and [words indistinct].

According to the authorities, casualties inflicted on the guerrillas could exceed 12. Clashes continue between members of Mobile Brigade No. 2 and the FARC guerrillas.

Colombia: ELN Announces 2d Armed Strike for 48 Hours

PA1904041296 Mexico City NOTIMEX in Spanish 1947 GMT 18 Apr 96

[FBIS Translated Text] Santa Fe de Bogota, 18 Apr (NOTIMEX) — Colombian guerrilla forces threatened today to torch all cargo trucks and passenger buses found circulating Friday morning on roads in at least 9 Departments.

Having announced the beginning of the second armed strike scheduled to begin midnight Thursday, The Army of National Liberation (ELN) warned truck drivers that they will destroy their vehicles if they do not obey orders to suspend operations for the next 48 hours.

The first armed strike lasting two days, announced by the same subversive organization, left at least 25 people dead last week, 15 of them civilians, and over 30 scorched automobiles in the northwestern and eastern parts of the country.

In pamphlets distributed to the local media, the 4,000 men strong ELN said that it seeks to pressure Colombian President Ernesto Samper's resignation by its military actions. Samper is accused of having had ties with the drug traffickers during his presidential campaign.

Spokesmen of the 2nd Army Brigade said Thursday that approximately 200 cargo trucks were immobilized by

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

their owners in the Caribbean terminal city of Santa Marta, because of the guerrilla forces' threats.

A similar situation occurred in the southern town of Ipiales, on the border with Ecuador, where a large number of trucks were put away by their owners because of the fear that the subversives might attack them on the roads.

The announcement regarding a new armed strike came a few hours after the Samper administration decreed emergency measures, such as the creation of special public order zones, to confront the guerrilla forces actions.

This week, members of the Revolutionary Armed Forces of Colombia (FARC) blew up a military convoy with explosives in the southern part of the country killing a non-commissioned officer and 30 soldiers, and wounding 18 other soldiers.

On Wednesday, Samper warned that the rebels had not been able to destabilize Colombia and announced that he would call up the Army reserves to strengthen security in the conflict areas.

In a message sent last night through Deputy Jose Maya Garcia, who was released after four days in captivity, the ELN reiterated that it will not negotiate with the current administration because it lacks moral commitment.

The Colombian president is being investigated by the Congress for charges that his election campaign received over $6 million from the Cali Cartel to finance election expenses in 1994.

Colombia: Military Forces Implement Security Program

PA1904123996 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 19 Apr 96

[From the "Caracol's 0600 to 0900" newscast]

[FBIS Translated Text] Military forces and civilian authorities implemented a drastic security program throughout the country to prevent violent actions during the armed strike by the subversives.

In carrying out this plan, the authorities are free to implement a curfew, set up checkpoints, and if deemed necessary, suspend all licenses to carry weapons.

Likewise, the authorities are authorized to request permits for vehicles and individuals moving outside municipal areas.

All military garrisons are currently confined to quarters under red alert.

Colombia: Samper on Plans Against 'Subversive Actions'

PA1904025296 Santa Fe de Bogota Radio Cadena Nacional in Spanish 2330 GMT 18 Apr 96

[Report by Luis Eduardo Maldonado; from the "Latest News" newscast]

[FBIS Translated Text] Narino Palace — President Ernesto Samper Pizano has said his government will not take one step backward in its plans to prevent subversive actions despite the terrorist attacks that have brought sorrow to the country. He also has commented on the meeting held in the last few hours with the National Liberal Directorate:

[Begin recording] [Samper] The government has not taken the subversive attacks into consideration when making its announcements. As I announced yesterday, we are not going to take any step backward. We will continue fighting any criminal or terrorist organization where it may be. Once again, I describe the incidents in Narino Department as unacceptable, barbaric acts.

[Maldonado] Did you receive support from the National Liberal Directorate?

[Samper] More than just support. What we had was a very cordial meeting in which we discussed the various concerns. We talked about the tax issue and the crisis we are experiencing. I believe it was a very positive meeting not only for the party but for the country. [end recording]

[Maldonado] Citizens on the streets have asked journalists if the military forces are incapable of fighting the guerrillas and organized crime. Are there simply not enough troops to go around?

[Samper] I would say we are experiencing a different form of violence. One thing is for the Armed Forces to be prepared, as they are, to fight and occupy areas and to respond to armed threats. These acts of terrorism and vandalism are quite different. We are developing new strategies to deal with these threats. These strategies are based on the intelligence we can obtain.

The defense minister will certainly make another important announcement today about a measure we adopted yesterday [words indistinct] I cannot keep my arms crossed while they continue murdering people in Uraba and innocent peasants in [words indistinct]. [end recording]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Colombia: Police Director on Drug Trafficker's Arrest

PA1904021796 Santa Fe de Bogota Radio Cadena Nacional in Spanish 2330 GMT 18 Apr 96

[Report by Carlos Barragan; from the "Latest News" newscast]

[FBIS Translated Text] National Police Director General Rosso Jose Serrano Cadena has confirmed the arrest of Jose Castrillon Henao in Panama. Mexican, Honduran, Costa Rican, Ecuadoran, and U.S. authorities have participated in the operation that led to Castrillon Henao's arrest:

[Begin Serrano Cadena recording] Following a deliberation among members of the Armed Forces General Command, with the participation of the U.S. Embassy, the Prosecutor General's Office, and the police, we coordinated an international effort and conducted more than 60 raids in our country and another 60 in the other countries. Mexican, U.S., Honduran, Costa Rican, Panamanian, Colombian, and Ecuadoran policemen participated in the operation. This drug trafficking network was led by drug trafficker Jose Castrillon Henao, who is originally from northern Valle del Cauca Department. Castrillon Henao was apprehended last night in the wake of an operation conducted by Panamanian authorities in Panama City. [end recording]

Serrano Cadena has said this Colombian drug trafficker arrested in Panama might be extradited to the United States, because there is no arrest warrant against him in Colombia. There are several actions pending against him in Panama, but the most serious charges filed against him are drug trafficking charges in the United States.

Colombia: Mayor Pledges Help in Talks With Guerrillas

PA1404040996 Santa Fe de Bogota EL TIEMPO in Spanish 13 Apr 96

[Received via Internet]

[FBIS Translated Text] Cali Mayor Mauricio Guzman Cuevas has pledged to turn this city into a coordinator of the commission in charge of mediating between the government and the Jaime Bateman Cayon guerrilla group.

In Cali yesterday, Guzman and Presidential Peace Counselor Daniel Garcia-Pena reached an agreement on strengthening the role of the city government in the process to evaluate accords and dialogue. This intent for the city allows, to some extent, a rapprochement with subversive groups operating in the rural areas of Cali, said Jaime Perea, peace counselor of the Desepaz [expansion unknown] Office. Perea was present at the meeting with Garcia-Pena.

Residents of Pance, Golondrinas, La Paz, and Felidia have repeatedly reported the presence of guerrilla groups in these areas. In addition, policemen have vacated Pance, prompting the departure of school teachers.

Guzman Cuevas has demonstrated a willingness to talk with the subversive groups but only to promote the talks, as the process of direct rapprochement and negotiations are under the government's jurisdiction.

Negotiations with the Jaime Bateman Cayon Group are going through a phase of renewal. Clashes between the FARC [Revolutionary Armed Forces of Colombia] and the Army two weeks ago prompted the temporary suspension of talks.

Colombia: Prosecutor Orders Arrest in Sarria Murder Case

PA1904043296 Santa Fe de Bogota Emisoras Caracol Network in Spanish 0327 GMT 19 Apr 96

[FBIS Translated Text] The Prosecutor's Office has issued an arrest warrant against merchant Hassan Nazar Gaviz, who is married to the main shareholder of the (Endiross) jewelry shop. This is the shop where Elizabeth Montoya de Sarria bought a ring for 30 million pesos, allegedly, as a gift for President Samper's wife. Caracol found out that the Bogota Section Prosecutor's Office, which is furthering the investigations in the case of Elizabeth Montoya de Sarria's murder, was the office that issued the arrest warrant. According to initial investigations, Hassan Nazar's involvement in the murder case could have been the settling of a dispute between jewelers. It has been reported that the jeweler has been eluding the authorities since Friday, 12 April.

Colombia: Self-Defense Groups' Claim of Pardon Offer Denied

PA1504152496 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 12 Apr 96

[From the "National Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision Television at 0000 GMT 13 April 1996]

[FBIS Translated Text] The "National Newscast" has learned about a letter from the self-defense groups in which they make reference to an alleged pardon and juridical case dismissal offer reportedly made by Interior Minister Horacio Serpa. This is reportedly the basis for peace talks.

In a communique signed by Commander Victor of the Middle Magdalena Region Self-Defense Group, the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

peace talks have been linked to the fulfillment of a promise made by Minister Horacio Serpa; a pardon and juridical dismissal of cases. In other words, something similar to what they themselves stated in the letter: acquittal from any judicial investigation.

The document is the prelude to a meeting that, according to the self-defense groups, they will hold tomorrow somewhere in the Middle Magdalena Region with high-ranking government officials. This meeting will be attended by the main paramilitary chiefs of the country.

In the communique, the self-defense groups repeatedly thanked Serpa for his pardon and proposal to dismiss cases. They interpreted this promise to mean political treatment.

We talked with Minister Serpa about the alleged communique of self-defense groups with promises of pardons and case dismissals.

[Begin recording] [Serpa] I received that communique via fax. I don't know its origin and will now verify its authenticity. Then we are going to study the contents of the communique.

I have not held any meeting with self-defense groups from the Middle Magdalena Region. The meeting we held several months ago with representatives of self-defense groups from Uraba and Cordoba was publicly announced.

Now, the government is indeed interested in establishing a policy with regard to self-defense groups.

[Unidentified reporter] But was the offer to which they referred ever made?

[Serpa] No. The entire country knows what has been said about self-defense groups and the general topic of peace. We have nothing to conceal on this matter. [end recording]

Colombia: Serpa on CAMBIO 16 Charges, Party Division

PA1804135496 Sante Fe de Bogota EL ESPECTADOR in Spanish 14 Apr 96 p A15

[FBIS Translated Text] Santa Fe de Bogota (COLPRENSA) — "So many things in this country sound familiar to my ears," Interior Minister Horacio Serpa Uribe replied regarding an article published by CAMBIO 16 ESPANA magazine that commented on CIA covert operations in Colombia to destabilize the Samper administration.

"I have read the article about four times," Serpa Uribe said, who immediately added that he was concerned about the possibility of interference in Colombian internal affairs.

In an interview with COLPRENSA, Serpa Uribe also referred to the differences that have ensued between the administration and the National Liberal Directorate [DLN].

Regarding these differences, Serpa Uribe said that in every democracy, differences exist. However, in this case, despite the differences, there has not been a division.

Serpa Uribe described the work of retiring DLN President Luis Fernando Jaramillo as brilliant and regretted that one of the DLN's former leaders, Alvaro Benedetti, has been deprived of his liberty.

Minister Serpa Uribe insisted on the need to move ahead with the so-called political reform and not wait until the political crisis prompted by the investigations against President Samper, a number of ministers, congressmen, and high-ranking state officials is overcome.

This is the interview Horacio Serpa Uribe had with COLPRENSA.

[COLPRENSA] Minister, CAMBIO 16 magazine describes CIA covert operations in Colombia against the Samper administration. What is you opinion on this issue?

[Serpa] What occurs is that these issues are sometimes so sensitive that it is best not to comment on them. However I am very concerned.

I am concerned with regard to the institutional issue, because it has to do with Colombia, and somehow it has to do with me.

[COLPRENSA] Why hasn't the administration issued official pronouncements or carried out the necessary investigations?

[Serpa] Because this issue has international aspects, with the crisis the country is experiencing, the way in which the crisis is perceived in other countries. In other countries, very serious charges are being made against other nations' organizations. It is better to be very cautions in making any observations.

[COLPRENSA] Isn't this an issue of interference in a country's internal affairs?

[Serpa] I do not know what your specific opinion is regarding this issue.

[COLPRENSA] When you said that it sounded familiar, you must not have been badly informed?

[Serpa] So many things continue to sound familiar to me in this country.

[COLPRENSA] What is the administration going to do?

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Serpa] I am going to reread this article for a fifth time.

[COLPRENSA] Minister, turning to another issue, it appears there is a split between the administration and the Liberal Party. What is happening?

[Serpa] Some of the media published information that there was a disagreement between the DLN and the administration, specifically, with the interior minister, because the Colombian Liberal hierarchy had not been consulted with regard to the legislative proposal that was sent to the Senate this week.

[COLPRENSA] This was not true?

[Serpa] That information is wrong because that legislative proposal was a result of analysis conducted by the Political Reform Commission, which included Mr. Juan Guillermo Angel and Dr. Piedad Cordoba de Castro, who were then Liberal Party directors. The opinion of the party is very important to us.

[COLPRENSA] It is evident to many people that the administration and the Liberal Party have become separated from one another.

[Serpa] No, they have not. Of course, liberalism, as a party, has the right to express its opinion, to criticize. That is a political function. Thus, there has been no rift. Often, there are opinions that do not coincide, but talks and discussions help overcome these difficulties.

[COLPRENSA] Is the administration acting alone, without the party?

[Serpa] I have ties with the Liberal Party. I am active in Colombian liberalism. I pay attention to the observations of the party, and, on many occasions, I have attended DLN and Central Political Committee meetings to discuss issues related to government projects.

[COLPRENSA] Isn't the administration worried that the Liberal Party has turned its back on it?

[Serpa] The Liberal party has not turned its back on the administration.

[COLPRENSA] Well, for example, the proposal on early elections was not well received.

[Serpa] Unanimity is not one of democracy's strong points. There must be room for discussion, discrepancy, and different opinions.

I believe one has to seek the nation's interests in each case, and that is where the Liberal Party and the administration are in agreement.

[COLPRENSA] Nevertheless, in the end, in addition to the early elections, those natural differences are inhibiting a proposal for a unified liberal government...

[Serpa] We Liberals have always had our differences. That is a historical fact. I recall that during the last century, liberalism was split into the Golgotas [merchants favoring free trade of imports] and the Draconians [artisans and manufacturers favoring protectionism]. Since then, there has been no peace within the Liberal Party.

Traditionally, a number of factions have existed: the Carlos Arturo Torres and General Uribe factions; the Rafael Nunez and the Olimpo radicals factions; the Dr. Sanchez and Dr. Lopez factions; the Dr. Gaitan and Dr. Lleras factions; and the Lopez Michelsen and Dr. Turbay factions.

[COLPRENSA] The Dr. Samper and Dr. Gaviria factions?

[Serpa] (laughter...)

[COLPRENSA] Another issue that could get bogged down is the political reform issue, because there are liberals who do not want reforms in the midst of a crisis.

[Serpa] I believe they are very few, because I see a large majority very interested in and enthused about the political reforms. The political reforms are necessary. How can you not legislate on campaign funding, for example, when we are at a very critical moment because of the 1994 campaigns.

[COLPRENSA] How would you rate the performance of former DLN Director Luis Fernando Jaramillo?

[Serpa] It was a brilliant performance. He did a great job in organizing the party.

From my position as a public official, I saw the way he handled the party, which is my party. He is a leader with a very clear mind, and he stands solidly behind the basic actions of the national government.

Thus, I would like to publicly congratulate him for the important work that he has carried out.

Colombia: U.S. Involvement in Political Crisis Decried

PA1804175096 Santa Fe de Bogota EL TIEMPO in Spanish 17 Apr 96

[Article by Juan Tomas De Salas: "Let's Go To Work, and Long Live Colombia" — received via Internet]

[FBIS Translated Text] Drug-trafficking money could have infiltrated Ernesto Samper's campaign; however, is this a reason to almost destroy the country? Obviously not. In addition, the Colombian political crisis would not have reached its unprecedented seriousness had it not been for the blatant intervention of the DEA, the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

CIA, the Frechettes, the Gelbards, and the other workers of the empire's sewers.

Understanding these two issues, we can give an opinion from afar on the exasperating Colombian crisis. Did drug-trafficking money infiltrate the campaign? Let the judges decide. Did Ernesto Samper authorize it? There is no evidence, only rumors from others involved in the case. Let Congress decide.

There are two other issues we cannot ignore: Why does the fact that drug traffickers could have financed Samper's campaign concern us? The reason is very simple: because in exchange for this, the government could have guaranteed protection to the Cali cartel.

There is no room for concern on this issue. Samper's government has done away with the Cali cartel with more bluntness that any other previous government. Three thousand drug traffickers are behind bars, and the Rodriguez Orejuela brothers lead the pack. Whether they financed the campaign or not, it was useless; Samper enforced the laws with an extraordinary effectiveness.

The other issue we cannot ignore is also very significant: Drug trafficking must have infiltrated many other political campaigns. Let us not be hypocritical now. It is not fair to make only Samper expiate something that must have been commonplace in many other campaigns, in all parties. Even the guerrillas became narcoguerrillas, and the alms, narco-alms [narcolimosnas]. There is bound to be a reason for it.

If I am pressed to say more, I am certain that drug traffickers finance not only Colombian and Mexican parties, but also U.S. politicians and their campaigns. Maybe even more. The difference is that, in the United States, no one involved in the huge drug business conducted there is ever apprehended. How strange.

If we accept the fact that huge drug-trafficking resources have infiltrated our societies — the gringo society first — for many years, if we accept this obvious fact, the Colombian crisis must then lose its current seriousness. Let the judges decide, period.

Then, if Samper's campaign is not the first and only American political campaign drug-trafficking money could have infiltrated, if it is simply just one more case, and if financing campaigns cannot guarantee impunity, then what is the reason for the major scandal that is jeopardizing the country's stability and its people's coexistence?

This major scandal has been promoted for only one reason: the intervention of the imperialistic tyrants who seem to be determined to destroy Samper. In the latest issue of Spain's CAMBIO 16 magazine, its Washington correspondent published an interview with his DEA "deep throat." How bloodcurdling.

According to this source, the DEA and the CIA are manipulating the Colombian crisis, without taking any risk, with the sole objective of toppling Samper, doing away with the constitutional ban on extraditions, and, last but not least [previous four words published in English], laying hands on the huge fortunes of the Rodriguez Orejuela brothers and their sidekicks.

I believe that this is the only explanation for the current crisis' seriousness and the manipulation of our media and society by the almighty tyrants who filter, buy, hide, or make up what is desirable even though it may almost destroy our country.

Since I believe this is how things works, I do not want anyone looking torn and tattered coming to me to tell me that drug-trafficking money perhaps infiltrated Samper's campaign. Underneath their rags, we can see the tyrants' stars and stripes.

Let the judges decide. As for us, let us go to work for, live in, and defend Colombia, which is ours to keep.

Colombia: 'Gringo Xenophobia' Toward Latinos Viewed

PA1904043196 Medellin EL COLOMBIANO in Spanish 13 Apr 96 p 5

[Editorial: "'Made in the U.S.A.' Xenophobia"]

[FBIS Translated Text] Last weekend, the whole world saw on television a video showing the terrible way Mexicans who illegally enter the United States are treated. Several policemen gave an awful beating to a man and a woman who were trying to leave a pickup that had been intercepted by the authorities and was at the side of a highway.

The Hispanic community has reacted with indignation, and there have been marches. A problem more serious than what a sporadic episode could mean has been left exposed: the racism and xenophobia existing in the country to the north against Latin American, especially Mexican, immigrants, and this also includes thousands of Colombians who have left their fatherland in search for a better life in the gringo mirage.

It is amazing to see how a country such as the United States, which has built its greatness based on immigration, is now turning around and victimizing the foreigners who have arrived in that land in the past decade. It is more amazing yet to see that it is the descendants of a stream of immigrants, from Europe, most of them, who

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

have given shape to the current generation of U.S. people persecuting the new immigrants and who see some sort of danger in the affluence of Latin Americans in the empire's big metropolises. Strangely, the gringo xenophobia is aimed against the Latin Americans, those "intruders" who jump the backyard fence and sneak into the domains of their rich neighbor.

With the argument that illegal immigrants cost taxpayers much money, these immigrants are being denied public assistance. This argument is a fallacy. According to Michael Fix and Jeffrey Pasel, two "Urban Institute" analysts quoted by journalist Antonio Cano, of Madrid's EL PAIS, in a report published Sunday by EL ESPECTADOR, "the illegal immigrants are virtually edged out of all public services, and legal immigrants are trying to separate themselves from those programs." The journalist adds: "The fact is, according to data from the private institute, that 95 percent of the immigrants do not receive any kind of public assistance. They pay taxes but do not cost the U.S. taxpayers anything."

So the argument is a lie clad as a truth to justify discrimination and so is the presentation of the immigrant labor force as a threat. These immigrants provide a beneficial and cheap labor force that serves as support for the agricultural production of many states of the Union. True, the flow of immigration has increased and countries have the sovereign right to establish policies to check this problem, but they do not have the right to violate people's human rights and dignity. It is scandalous to see how a nation that claims to be the hero of liberty is now fostering outbreaks of xenophobia.

The electoral arena will turn the immigration matter into a hackneyed issue. Unfortunately, not only the ultra-right conservatives have aimed their guns at the foreigners; the democrats have acted in a weak fashion on this issue with the added problem that fascist outbreaks throughout U.S. society cannot be hidden and that just as it is happening in Europe, xenophobic persecution could spread like an oil spill. We cannot forget that the United States is the home of the Ku Klux Klan.

It is important to note that the racist menace Latin Americans in the United States face has support in Washington's discriminatory, offensive, and Manichaean policies for countries south of the Rio Grande. There is the Colombia case, for example. Colombia has been hit by a decertification and a campaign of discredit arranged by the agents and proconsuls of the empire. Whatever the economic effects of this campaign may be, it places a stigma on the forehead of all Colombians who for one reason or another make contact with U.S. society. Cases of abuse and injustice endured by many Colombians just because they are Colombians are well known. Our passport not only in the country to the north but also in many European countries is almost a document of illegality that opens the doors to all sorts of offenses and insults shielded by this "made in the U.S.A." xenophobia.

Latin America has the historic obligation of facing with dignity and courage the fate of so many of its brood who, forced to migrate, are becoming a pariah in other societies that ungratefully have forgotten the generosity, hospitality, and even humiliating obsequiousness with which they have always been treated in this part of the world. The devil pays those who serve him well by punishing them.

Colombia: Editorial Views Economic Situation, Recession

PA1904034696 Santa Fe de Bogota EL ESPECTADOR in Spanish 13 Apr 96 p A2

[Editorial: "Have We Fallen in a Recession?"]

[FBIS Translated Text] Several months ago, when the political crisis threatened with deteriorating everything, it was pointed out in government and union circles that the economy was not suffering as the result of the investigated infiltration of hot money in party activities. Even the U.S. Government, on decertifying Colombia, made every effort to clarify that it was not President Clinton's intention to ruin our economy.

Nevertheless, the day came when the feared effects of the political crisis in the economy started to be talked about. The unions, who participated in the debate, affirmed this effect. The opposition voices in the Congress supported the assertion. In columns and commentaries, public writers mentioned in their political and moral arguments the dangerous repercussion of the situation in the productive sector and the exporting capability of our enterprises.

Well, things worsened this week. The Public Expenditures Commission released a preliminary report. A somber revelation was made of the magnitude of the unpreparedness with which the state was being administered. The unions and the directors of the country's biggest enterprises did not conceal their astonishment at the industrial production's large turn for the worse. A sounding of the national situation indicated that the detected symptoms are those of a recession which, if aggravated, would slow down the rhythm of an economy that is strong but not invulnerable to the phenomena that determine negative variations.

There is something we cannot doubt. The monetary policy lacks stability and the interest rates, raised to such

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

a degree that they increase production costs, impede on a short term basis the progress of an economy whose growth the government had estimated at higher than 5 percent. This situation again led to a confrontation between the Bank of the Republic and the president of the Republic and his finance minister. The bank says the rates must be lowered regardless. The president says there is no recession but a deceleration process which must be stopped in time.

According to the government, a loan whose annual cost exceeds 45 percent is a factor that disturbs the economy. This is why the production is hampered, Perry and Ocampo insist.

More than the crisis, the government blames the Constitution. Transfer expenses in particular have caused a fiscal gap. Consequently, there will be no social investment to the extent envisioned by the Development Plan. And if the cost of the credit does not get lower, production will be affected even further.

It will be the Board of Directors of the Bank of the Republic, where the government has its seat, which will define the devastation that costly loans cause in the development of the economy. The bank's reasons for maintaining or modifying the reached ceilings will have to be very clear. If the planning minister admits that the growth goal will drop by approximately 1 percent, it is because the economic management is at fault and demands corrections. But interest rates are not the only culprits. Let's not overlook the coffee sector's depression or the unheeded oversupply in the construction sector, which forced the sector's imbalance in relation to the levels attained until early 1995.

The government's responsibility in a situation that could traumatize the country and set it adrift is immense.

Colombia: Poll Shows 'Uncertainty' Among Businessmen

96SM0242A Santa Fe de Bogota EL TIEMPO in Spanish 15 Apr 96

[Received via Internet]

[FBIS Translated Text] The 500 businessmen included in the Economic Opinion Poll [EOE] taken by EL TIEMPO and Yankelovich expect the GDP to increase nearly 4.8 percent this year. They believe that inflation will be 21 percent.

Is the economy embarking on a period of recession? How long will the Central Bank uphold the value of the currency? Will high interest rates be maintained?

These questions are assailing the confidence of many Colombian and foreign entrepreneurs who are doing business in the country.

The EL TIEMPO and Yankelovich Economic Opinion Poll confirms that impression. According to almost half of the 500 businessmen queried, the uncertainty regarding economic management and the political crisis are the main problems for the economy, and for business firms in particular.

According to the EOE, a year ago the problems of the economy and business firms revolved around competition, the lack of capital, and contraband. Even at the end of the third quarter of 1995, businessmen did not perceive that the crisis would be a factor hurting the economy's performance.

It was not until the final quarter of last year that the 500 businessmen began to realize that the crisis was, indeed, upon them.

The overall profits and losses shown by the businessmen in the EOE are not very optimistic. According to 53 percent of those interviewed, earnings declined, production and sales also dropped, and the generation of employment slowed down as well.

Revision of Goals

The responses coincide with the results of other polls, such as those taken by the Federation for Higher Education and Development (Fedesarrollo), the National Association of Industrialists (ANDI), or the National Federation of Businessmen (Fenalco).

All of them make it clear that production grew very little during the first quarter of the year.

Furthermore, some analysts, such as Javier Fernandez Riva, believe that the private gross domestic product (not including oil) simply had no growth in the first quarter of the year.

The balance sheets of the leading business firms reveal nothing different either. According to a sample taken by EL TIEMPO among the 100 principal companies registered with the stock exchange, their net earnings increased only 3.19 percent. This indicates a decline of 14 percent (discounting inflation) in real terms.

The EOE does not differ much from that picture of a cooling of the economy, which some analysts are now viewing as the beginning of a recession, even though this state of the economy occurs only when the GDP declines in real terms for a period of at least six months.

Nevertheless, the businessmen continue to be optimistic about economic growth. According to the EOE, the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

business executives interviewed expect the variation in the gross domestic product to be 4.8 percent. This rate would appear to be highly optimistic compared with the estimate given by entities such as Fedesarrollo, which believe that there will be an increase of only 3.8 percent.

In any event, the businessmen revised their estimates on growth because, until December, they thought that it might be 5.2 percent in 1996.

Government Still 'Flunks'

The rating given to the government's management of the economy deteriorated even more at the end of the first quarter of this year. The grade received by the Executive Branch was only 2.5 out of 5, whereas in December it had obtained a rating of 2.8.

The rating of the economic management began declining in the first quarter of last year, when the Samper government's economic team received a grade of only 3.0.

This low grade could (the EOE does not give specific information on this point) be directly related to the performance of public spending. The rapid rise in government expenditures is increasingly depriving the private sector of its latitude for procuring the necessary funds for financing.

This situation has become more critical now, because the monetary authority (board of directors of the Central Bank) is obliged to maintain a restrictive policy with respect to the amount of money available in the economy. If it releases money, the interest rate drops, and this could cause an outflow of capital.

Fortunately, the expectations of the 500 businessmen queried are still favorable. According to over 70 percent of them, sales, production, amd earnings will improve during the second quarter of the year, or will at least remain stable.

Colombia: Correction to Antikidnapping Czar on Captors

PA1604171596

The following correction pertains to the item headlined "Antikidnapping Czar on Gaviria's Captors," published in the 16 April Latin America DAILY REPORT, pages 49-50:

Page 49, column two, make subslug read: ...[Interview with "antikidnapping czar" Alberto Villamizar by unidentified reporter on 15 April; place not given; from the "National Newscast"; monitored from retransmission by Lima Sistema Unido de Retransmision Television at 0000 GMT on 16 April]... (supplying additional information)

Ecuador

Ecuador: Ortega Says Peace Process Continues

PY1904010396 Quito Voz de Los Andes in Spanish 2300 GMT 18 Apr 96

[FBIS Translated Text] According to General Jorge Ortega Espinoza, commander of the Armed Forces joint command, the talks in search for peace between Ecuador and Peru are still facing difficulties and small obstacles.

Gen Ortega said that although the soldiers must not slacken their training for possible conflict, they must continue to trust in the peace process with Peru and continue to believe in the reciprocal will for peace.

Ortega added that the Ecuadoran military officers are aware of the peace process our country has been undergoing, together with Peru, for over one year following the clashes in Upper Cenepa triggered by the neighboring country.

In Ortega's opinion, the announced Peruvian purchase in Russia of sophisticated combat aircraft will affect the peace process and, basically, the will for peace expressed in the Itamaraty [Brazilian Foreign Ministry headquarters] Peace Declaration.

Ecuador: Leoro Willing To Continue Peace Talks

PY1904003596 Quito Voz de Los Andes in Spanish 2300 GMT 18 Apr 96

[FBIS Translated Text] Upon his return from the Rio Group meeting in Bolivia, Foreign Minister Galo Leoro Franco said that he will continue talks with his Peruvian counterpart, Francisco Tudela, in search for a definitive solution to the territorial dispute between the two countries.

Leoro said: We reviewed all these aspects in Bolivia and I realize that the Peruvian foreign minister wants — and he has said so — to continue the dialogue, and so do we. Leoro made this statement at the Quito airport.

The peace process has been affected by repeated reports on alleged purchases of weapons or alleged incidents triggered by the two countries on the common border.

Ecuador: Polls Show Nebot in 'Solid First Place'

PY1904004296 Quito Voz de Los Andes in Spanish 1700 GMT 18 Apr 96

[FBIS Translated T] According to the latest polls, presidential candidate Jaime Nebot is in a solid first place, while there is a tie for second place.

It is merely one month before the 19 May general elections, at which time Ecuadoreans will have to

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

choose from among nine presidential candidates the successor of conservative president Sixto Duran-Ballen, who will conclude his presidential term on 10 August.

The Cedatos, Informe Confidencial, Market and Perfiles de Opinion polling companies have agreed in pointing out that Social Christian Party Candidate Nebot is in a solid first place. Nebot obtained the support of more than 31 percent in opinion polls.

Since the start of the presidential race in November 1995, Jaime Nebot has always been in first place with no less than 30 percent of the voters' preference.

The second place is harshly disputed by Freddy Ehlers, an independent presidential candidate and former television announcer, and businessman Rodrigo Paz, presidential candidate for the Popular Democracy Party, each of whom gives assurances of having quite a good advantage over the other.

Cedatos has reported that Ehlers is in second place with 19.1 percent and that Rodrigo Paz is in fourth place with 14.5 percent, after populist Abdala Bucaram with 16 percent.

Informe Confidencial agrees that Ehlers is in second place with 21.6 percent and Paz in fourth place with 9.4 percent, that is behind Bucaram, who obtained 13.8 percent.

Market disagrees with the aforementioned polling companies by asserting that Rodrigo Paz is in second place with 15.8 percent, followed by Ehlers with a 15.5 percent and Bucaram in a close fourth place with 14.1 percent.

Finally, Perfiles de Opinion asserts that Ehlers, who obtained 15.9 percent, is in second place, although he obtained an incredible difference of 0.1 percent over Rodrigo Paz. According to statistics, the latter is considered a virtual draw.

Up to the beginning of 1996, Rodrigo Paz held a comfortable second place with a 20 percent support, but after the surprising announcement of Freddy Ehlers' presidential candidacy, he suffered a sudden drop in support of up to about 10 percent.

The other five presidential candidates together account for only 8 or 9 percent of voters' preference. In view of this, the polling companies rejected the possibility of any surprise result similar to the one Peru experienced with Alberto Fujimori's election.

After an obvious period of indecision in which about 30 percent of Ecuadoreans asserted that they do not have any preference, the trend has started to change one month before the general elections. According to the Ecuadoran election law, no poll results can be published as of 30 days prior to the election day.

Paraguay

Paraguay: President Promulgates New Electoral Code

PY1804173796 Asuncion ABC COLOR in Spanish 18 Apr 96 p 5

[FBIS Translated Text] The promulgation of Law 834/96 — a new Electoral Code — by the president of the Republic on 17 April comes at this vital juncture where political alliances, particularly those among opposition parties, will be defined.

The law, which comprises 348 articles, confirms that the vote is compulsory and that citizens who fail to vote are liable to be fined half a minimum day's wage, i.e. between 7,000 and 14,000 guaranies.

The new Electoral Code provides a step-by-step description of the mechanism that political parties must use to establish electoral alliances. To that effect, Article 40 of the new law provides that "registered parties are entitled to unite in temporal alliances for national, departmental, and municipal election purposes. To do so, they shall file a request with the Electoral Courts to obtain due recognition of the alliance."

The new law establishes that to contract an alliance, "political parties must have the approval of their respective assemblies, conventions, or caucuses. The legislation stipulates that to found an alliance, political parties must agree, through their national executive body — authorized by their respective assemblies, conventions, or caucuses — on the conditions to establish said alliance, which must be put in writing in a document."

The Chamber of Deputies harshly criticized this provision, arguing that parties' executive committees or boards should decide on the alliance policy that their parties should pursue.

Article 44 of the new code states: "Political parties united in an alliance shall hold primary elections to nominate the individual candidates who will run for an executive position on the alliance ticket, and a list of candidates who will run for legislative positions on the alliance ticket." In sum, the new code provides for a system of "quotas" within the valid electoral system.

Article 45 states: "Candidates nominated at each of the primary elections of the political parties united in an alliance will run for office on the alliance ticket, pursuant to the provisions in the document establishing the alliance."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The new code also establishes that to contract departmental or municipal alliances, each political party's assembly, convention, or caucus shall empower the national executive committee to form electoral alliances in the corresponding districts. The assembly, convention, or caucus is authorized to established nationwide guidelines for the establishment of electoral alliances." [no opening quotation marks as published]

Paraguay: Industrialists Criticize Government, Unions

PY1904035696 Asuncion ABC COLOR in Spanish 17 Apr 96 p 15

[FBIS Translated Text] The trade unions affiliated with the Paraguayan Industrial Union (UIP) released, on the evening of 16 April, a communique commenting on the "serious economic, political, and social situation in which our country has been living."

"We have a highly politicized union elite. They want to make people believe that through exaggeratedly high salary increases — without a required counterbalanced productivity — the standard of living of the people will improve. This is particularly so because the increases will benefit only a minority group of workers to the detriment of the immense majority of the people," states another part of the communique released by the industrialists. The communique was read by Raul Castagnino.

Entrepreneurs say that the situation of the peasants, who do not depend on a salary but on their own production, will become worse still "because prices will undoubtedly go up as the unavoidable consequence of an increase in salaries. This is why we cannot understand how the peasants can accept leaving their agricultural work and coming to the capital to support an irrational strike demanding better salaries."

"We cannot permit a connivance between the government branches that will allow the peasant leaders, who are imbued with totalitarian ideologies that are already outmoded, to promote the occupation of private properties, primarily because these occupations are conducted with total impunity, thus dispelling any possibility of national or foreign investment. Instead, the administration should implement firm and forceful procedures to control this generalized deliquency," the UIP communique states.

The industrialists point out that worker and peasant leaders show their temerity when they publicly propose their plans of upsetting the state of law in order to impose — through class struggle — a totalitarian government "that is supported by certain sectors of the media, by demagogic politicians, and by opportunistic people."

The UIP criticizes, although subtly, President Juan Carlos Wasmosy's administration, which is proving incoherent in its way of dealing with a long-lasting economic depression that has been hindering the country's economic, political, and social recovery.

The entrepreneurs emphasize that this incoherence becomes more evident when the administration grants privileges to trade involving luxury items and not for those of productive areas. Financial capital, which is scarce, is available only for the few people who ensure their profit through swift transactions that generate no positive effects for our economy.

The entrepreneurs state that the "promise to reduce the government apparatus has not become a reality because it has not been implemented in a persistent, well-organized, and systematic manner."

UIP President Arturo Jara Avelli severely criticized those who promote the violation of the national laws, particularly those linked to the defense of rights over properties. Jara Avelli pointed out that the 31-percent salary increase being demanded by the union leaders is entirely irrational due to the country's critical economic situation, and added that this demand only seeks to create more problems for the administration.

Paraguay: 'Rumors' of High-Level Military Changes Reported

PY1804210096 Asuncion ABC COLOR in Spanish 18 Apr 96 p 3

[FBIS Translated Text] The Armed Forces organizational chart may be reshuffled at any time now. There is some talk that General Evaristo Gonzalez (current chief of the presidential military household) will become the new joint chief of staff, and that Gen. Oscar Rodrigo Diaz Delmas, current Army chief of staff, will be the new Army commander.

The most significant change, however, will be the retirement of Army General [four stars] Silvio Rafael Noguera, current commander of military forces. Apparently the idea is to pave the way for Division General Lino Cesar Oviedo's promotion to the rank of army general, thus allowing him to remain on active military duty for five more years.

All these conjectures may be resolved shortly, since decisions in this field are up to Juan Carlos Wasmosy, commander in chief of the Armed Forces.

The changes apparently have to do with the need to keep Gen. Oviedo in the Armed Forces for some time.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The fate of Gen. Oviedo's political project is uncertain now that Blas N. Riquelme's bid for the presidentcy of the Colorado Party has lost momentum.

The bottom line is that legally speaking, Gen. Oviedo has one more year to go as an active member of the Armed Forces, as he was promoted to division general in May 1992. According to the military law, he can remain on active duty for five years after that date, although the military law also states that the commander in chief of the Armed Forces can keep him on if he deems appropriate.

Although there is no official report on this, the rumors and ensuing exchanges of opinions permeated military circles on 17 April. All these conjectures may be resolved in the coming days.

Peru

Peru: Special Civil Courts for Police, Military Proposed

96SM0227A Lima LA REPUBLICA in Spanish 27 Mar 96

[Received via Internet]

[FBIS Translated Text] Marcos Ibazeta Marino, president of the Lima Superior Court, yesterday criticized the Lima provincial prosecutors for presenting formal complaints that are without foundation and that "slow the work of the judges instead of contributing to the rapid administration of justice."

Ibazeta also announced the creation of special judicial districts and courts in Lima to investigate, and put on trial, police and military personnel who commit common crimes.

"The prosecutors need to present complaints that are well prepared and well founded, so that the judges can do their work properly," he said.

The president of the Lima Superior Court made these statements in response to the formal complaint that Prosecutor Magda Atto Mendivil had brought before the Judicial Branch against five policemen of the Brena police department who are accused of the murder of Engineer Mario Jesus Palomino Garcia.

Ibazeta said the prosecutor's complaint was "incomplete and defective" and for that reason the magistrate of the 14th Criminal Court of Lima, Clotilde Cavero Nalvarte, had returned it.

"The prosecutor took no depositions from anyone," he explained, "and in formalizing her complaint she failed to enclose the testimony prepared by the Brena police department. Moreover, she enclosed a simple copy of the autopsy protocol instead of the requisite certified copy, and she failed to specify the responsibility of each individual who was charged."

"Nonetheless," he said, "the sitting judge has been given instructions to take measures to ensure that those responsible will be punished." He added, however, that "the problem is that the complaint was presented in incomplete form and with serious defects, and what begins badly ends badly."

Ibazeta explained that the judge in charge of the case had returned the complaint so that the prosecutor could take certain steps, as for example to identify the personnel who were on duty at the police station when these events occurred and request the corresponding police testimony.

Special Courts for Police and Military Personnel

Ibazeta spoke heatedly of the crime commited against Engineer Palomino, He said what happened "not only was regrettable but should be repudiated and deserves punishment that is severe, prompt, and very effective." He said that if you want a rapid response to events "that are characterized by the violence factor, it would be advantageous to create special judicial districts or courts to try police personnel whose duty is precisely that of protecting our citizens against violence."

He explained that this experiment could be modeled after the special courts that were created to try criminals who are implicated in cases of drug trafficking, terrorism, and kidnapping.

Ibazeta said he had sent the executive secretary of the Judiciary, Major Jose Dellepiane Massa, this proposal to authorize the creation of the special judicial districts and courts.

Peru: Possible Weapons Purchases Discussed

96SM0227B Lima LA REPUBLICA in Spanish 27 Mar 96

[Article by Angel Paez — received via Internet]

[FBIS Translated Text] Those who attempted to impair national security will be investigated. Fujimori calls off the purchase of Belorussian aircraft that are overpriced and not guaranteed. The acquisition of weapons will be accomplished directly, government-to-government. LA REPUBLICA did not report that weapons had been purchased, but rather that the FAP [Peruvian Air Force] had recommended the purchase of Belorussian materiel.

LA REPUBLICA disclosed that the Directorate of Materiel of the Peruvian Air Force had recommended the purchase of an air defense system of Belorussian

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

origin that was offered by the W-21 Intertechnique Company, but it did not say that the purchase had been consummated, as President Alberto Fujimori had alleged in Mexico.

As the chief executive has pointed out, however, the company making the offer is a front for those "arms merchants" who took advantage of the conflict on the Upper Cenepa by selling Argentine war materiel to Ecuador and in this instance attempted to sell overpriced Belorussian aircraft and radars without adequate assurances of a supply of replacement parts. The president also confirmed that although the transaction has been called off, those who attempted to impair our country's national security should be investigated.

"We do not allow corrupt transactions that involve talk of commissions and overpricing," Alberto Fujimori said in his speech before the Mexican Congress with reference to the news reports in LA REPUBLICA that revealed that the FAP had approved the purchase of an Integral System of Air Defense from Belorussia at a price of $762,460,467.

The high commands of the Peruvian armed forces had agreed on the necessity of regaining the strategic balance that was lost during the conflict in the Condor Cordillera and tilted in Ecuador's favor, producing an imbalance that was reinforced when that country acquired the sophisticated Kfir [expansion not given] fighter aircraft.

"Like any other sovereign nation, Peru reserves the right to acquire what it deems necessary and advisable for its defense, but not for the purpose of attacking anyone," the chief executive declared, thereby confirming that the FAP needs an air defense system but one that is of a deterrent rather than an offensive character, with the sole aim of reestablishing the balance between Ecuador and our country.

Specifically, an FAP committee had been on the point of acquiring the complete system from Ukrainia for $288 million, but because of pressure from the United States—which believed that the purchase was for a different purpose—and because the Peruvian side delayed conclusion of the agreement, the Ukrainian Government decided to sell the military equipment to Iran.

No sooner had the Ukrainian offer come to naught when a company that had been formed only recently, in September, with a capital of $20,000 [as published]—the W-21 Intertechnique Company, a combination of various firms that supply armed forces and police forces—offered an Integral System of Air Defense of Belorussian origin for $762,460,467.

Headed by the FAP director of Materiel, General Rolando Magni Flores, an FAP mission traveled to Belorussia and inspected the equipment. It recommended acceptance of the offer made by the W-21 Intertechnique Company, according to the documents that were published by LA REPUBLICA and whose authenticity was verified by high officials of the Air Force.

The Belorussian offer involved a price that was all of $500 million over the Ukrainian offer.

"We do not allow corrupt transactions that involve talk of overpricing and commissions," a visibly embarrassed President Fujimori declared, in an effort to disavow the negotiations for the purchase of the antiaircraft system.

LA REPUBLICA at no time reported that the FAP has purchased military equipment; instead, it reported that there are documents to prove that the FAP has approved the offer made by Belorussia, a country that does not manufacture the MIG-29 and Sukhoi-25 aircraft and therefore is unable to provide assurances of a supply of replacement parts.

The FAP recommended acquisition of the Belorussian military equipment despite having turned down a new Ukrainian package deal offered by the firm LINCA Inc., arguing—incredibly—that Ukrainia does not manufacture the aforementioned aircraft.

"The unfortunate conflict in the Upper Cenepa, which pitted two sister nations such as Ecuador and Peru against each other—has apparently whetted the appetite of the arms merchants who hover about in the expectation that suspicion and distrust will stimulate an arms market in the region," the chief executive told the members of the Mexican Congress.

LA REPUBLICA also disclosed in today's [27 March 1996] edition that Mobetek Agencies and Vifebrisa, Inc.—companies that are part of W-21 Intertechnique—had been connected in some way with the Argentine arms traffic to Ecuador.

Fujimori—who had obviously been misinformed by his advisers—referred to the reported acquisition of Belorussian military equipment as "rumors" and "alleged purchases."

Our newspaper has not maintained that a purchase was made. What happened is simply that the FAP mission to Belorussia rejected the arms offers presented by LINCA, Inc. and two package deals offered by the Rosvooruzhenie state enterprise—one involving new aircraft and radars and the other involving second-hand equipment—and instead recommended the purchase of the Integrated System of Air Defense of Belorussian origin.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The head of state later told a press conference at the Hotel Camino Real in the Mexican capital that if Peru had to acquire weapons, it would do so directly with the governments concerned, not through the arms merchants. This also confirms the version reported by FIM [Independent Moralization Front] Congressman Fernando Olivera Vega according to which the defense minister, EP [Peruvian Army] General Tomas Castillo Meza, had broken off the negotiations for the purchase of military equipment by the FAP and ordered an investigation.

Fujimori also made reference to the "purchase" of 24 Czech ZLIN trainer aircraft and wondered where these aircraft were if Peru had in fact purchased them.

Undoubtedly confusing the information, the president again made an erroneous reference to LA REPUBLICA's news reports that revealed that the FAP's Evaluation Committee, chaired by FAP General Alejandro Retes Rivero, had recommended the purchase of the Czech aircraft.

Nevertheless, when the Evaluation Committee had completed its work, the FAP's director of Materiel, Gen. Rolando Magni Flores, recommended the purchase of the same aircraft at a higher price and from an intermediary—a firm that had not participated in the technical evaluations and at the last moment had succeeded in obtaining the representation in Peru of Moravan, the factory that makes the Czech ZLIN aircraft.

It just so happens that the company thus favored is Wotan International, another of the firms comprising the W-21 Intertechnique Company that is trying to sell the Belorussian equipment.

What LA REPUBLICA reported was therefore not the consummation of the sale of the Czech aircraft but rather the intention to favor a company that has many friends in the FAP.

Was President Alberto Fujimori waiting for the purchases of the Czech aircraft and the Belorussian military equipment to be consummated so that these irregularities could be uncovered just now?

"The president of the Republic has to know about purchases of this nature," Fujimori said, giving one to understand that he was probably unaware of the transactions. Unfortunately, the compelling documents that we are publishing speak for themselves. They tell the whole truth.

They were attempting to sell secondhand MIG's and Sukhois at inflated prices.

Peru: Link Between Arms Dealers, Argentine Delivery Noted

96SM0227C Lima LA REPUBLICA in Spanish 27 Mar 96

[By Angel Paez/Investigation Unit — received via Internet]

[FBIS Translated Text] Companies that are offering overpriced equipment for sale are linked to companies that triangulated Argentine arms to Ecuador during the 1995 conflict.

Hayton Trade is the name of the Uruguay-based company that the military intelligence services say purchased the 75 tons of arms from the state enterprise Military Products of Argentina—arms which it later sold to the Ecuadoran company Alpo International during the Cenepa conflict.

In connection with the triangulation of the contraband military equipment, the Argentine national Hugo Vitullo Alonso was identified as the individual who in coordination with Alpo International negotiated the purchase of the arms from the Military Products enterprise.

Peruvian military intelligence believes that Vitullo Alonso is an old acquaintance, because he is one of the owners of Vifebrisa Inc., one of the firms that supply our country's security forces.

According to the National Office of Public Records, Vifebrisa Inc. was founded on 4 February 1980 and in October of last year formally elected its board of directors—one of whose members is Vitullo Alonso—and expanded the powers of the general manager, Oscar Muelle Flores, a man who several days before, on 28 September, participated in the founding of W-21 Intertechnique, the company that is trying to sell an Integral System of Antiaircraft Defense of Belorussian origin to the FAP [Peruvian Air Force] at an inflated price.

This has served to establish the link between Hugo Vitullo Alonso—the same individual who participated in the arms traffic from Argentina to Ecuador in the midst of the conflict with Peru—and W-21 Intertechnique, through the instrumentality of its representative Oscar Muelle Flores.

That is not, however, the only link between the men who participated in the triangulation of Argentine arms to Ecuador in February of last year and the men who offered 18 MIG-29's, 14 Sukhoi-25's, and an antiaircraft radar system—all of Belorussian origin—to the FAP at a price of $762.4 million.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Unwinding the Skein

Alpo International, which is owned by the Israeli William Hermann—one of the suppliers used regularly by the Ecuadoran armed forces, as demonstrated by its decisive participation in the recent purchase of Kfir aircraft and the fact that it is about to sell 50 engines to equip them—is the company that purchased the Argentine arms through Hugo Vitullo Alonso's firm Hayton Trade, a subsidiary of the U.S. entrepreneurial group Eisemberg-Brooks-Bradford Corporation.

Mobetek Agencies, the Peruvian subsidiary of this group, is one of the principal suppliers of the Peruvian armed forces and police. It is owned by Moshe Rothschild, a fellow countryman of William Hermann of the Ecuadoran firm Alpo International.

The circle is closed by the Eisemberg-Brooks-Bradford Corporation's Chilean subsidiary, the Sutex Company—managed by the Israeli Zvi Sudit—which is also a supplier of the Chilean armed forces. One of its most recent sales is a spy aircraft equipped with a system that is adapted for electronic warfare.

Each of these companies—Mobetek Agencies (Peru), Alpo International (Ecuador), and the Sutex Company (Chile)—is familiar with the requirements of the armed forces of each of the countries in which they operate and is, of course, aware of the tensions that exist among them.

Pursuant to their commercial interests, these firms exchange intelligence information in order to be aware of the priorities of the armies of these three South American countries.

Do our country's military intelligence services know whether Mobetek is carrying out this exchange of information with the Ecuadoran firm Alpo International and with the Chilean Sutex Company?

What is certain is that Mobetek Agencies is also one of the companies that organized the W-21 Intertechnique consortium, which has a perfect knowledge of the weaknesses in the Peruvian air defense, to which it accordingly proposes to sell a Belorussian package deal to enable it to remedy those weaknesses.

And we should not forget that the company owned by Moshe Rothschild—a close friend of the former defense minister, EP [Peruvian Army] General (retired) Victor Malca Villanueva—closed some very important multimillion-dollar deals in 1995 such as, for example, the sale of 19 MI-17 helicopters, six used Antonov-32 aircraft, and an unspecified quantity of IGLA [expansion not given] missiles.

Good Old Boys

Mobetek Agencies—one of the firms that are trying to sell a Belorussian antiaircraft defense system to the FAP—has ties to the Ecuadoran company Alpo International because both—together with the Chilean Sutex Company—are subsidiaries of the U.S. group Eisemberg-Brooks-Bradford Corporation.

When consulted by LA REPUBLICA, sources connected with the FAP said they were surprised to learn of the relationship between member firms of W-21 Intertechnique and companies that trafficked in arms destined for Ecuador. They said all they had known about the W-21 Intertechnique companies was that they were suppliers.

Does this mean that the armed forces and the Defense and Interior Ministries do not know the origin and relationships of the people who sell them military equipment?

The answer is: of course they know.

Former Defense Minister Malca Villanueva met in mid-February with several of the businessmen connected with W-21 Intertechnique including Moshe Rothschild (Mobetek Agencies); Enrique Benavides Morales (CIFSA [expansion not given], COLINSA [expansion not given], Crousillat Brothers, and others); and Claus Corpancho Kleinicke (Wotan International).

To be more specific, the commanding general of the FAP, Waldo Richter Cruz; the director of Materiel of the FAP, Colonel Rolando Magni Flores; and W-21 Intertechnique representatives Enrique Benavides Morales and Cesar Augusto Crousillat Lopez Torres met between 1300 and 1800 hours on 16 March.

What was the subject for discussion?

The offer of the Belorussian aircraft, of course.

According to the report published in LA REPUBLICA, it was agreed at the meeting that the secretary general of the Ministry of Defense, FAP Lieutenant General Danfer Suarez Carranza—who had held the same post under the former Defense Minister, EP Gen. (retired) Victor Malca Villanueva—would arrange with his superior, EP General Tomas Castillo Meza, the defense minister, to issue an order authorizing the director of Materiel of the FAP, Col. Rolando Magni Flores, to travel to Belarus for the purpose of signing the $762.4 million contract for the Integral System of Air Defense.

The defense minister, however, is reported to have finally decided to halt the entire process of negotiating for the purchase of the materiel and initiate an investigation to determine who is responsible in the matter.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The commanding general of the FAP has also ordered an investigation. His investigation, however, is not for the purpose of identifying those officers in the FAP who favor the companies that are offering secondhand equipment without any guarantee of replacement parts and at inflated prices (and he ought to know what the FAP requires in this regard, inasmuch as he was director of Operations during the Cenepa conflict) but rather for the purpose of identifying those individuals who supplied information to LA REPUBLICA.

On the contrary, FAP Gen. Richter Cruz should investigate to determine whether his colleague, FAP Gen. Danfer Suarez Carranza, the present secretary general of the Defense Ministry, who served as chairman of the board of directors of the Military and Police Pension Fund until 31 December 1995, allowed money in his care to be lent illegally to construction companies that were acting as fronts for certain officials of the companies that were engaging in the supply of arms.

Spicy Business Deals

This is because there is evidence that money from the Military and Police Pension Fund was used by these arms supply companies to purchase military equipment in the countries that were formerly part of the socialist bloc—equipment that was then resold to the armed forces and police at double the price.

When the carousel came around again, the money would be returned to the Fund. These practices occurred during the period that Gen. Danfer Suarez Carranza was chairman of the Fund's board of directors.

In fact, an investigation of the Military and Police Fund is pending before the Congressional Committee on Investigations; it will review the performance of former Defense Minister Malca Villanueva and the former chairman of the Fund's board of directors, Suarez Carranza.

Within the FAP there is an attempt to minimize the matter of the Belorussian aircraft by arguing that the purchase has not yet been made and also that there is no money to close the deal.

But should the conspiracy go unpunished? Will those Peruvians who negotiated with the people who triangulated Argentine arms to Ecuador when that country was attacking our country not be disciplined? And what about those who attempted to favor W-21 Intertechnique, going to far as to conceal the offers made by other firms?

This was what happened after the Russian state enterprise Rosvooruzhenie in November 1995 had offered a complete—and new—Integral System of Antiaircraft Defense of a deterrent character. The following January the FAP asked the Russian enterprise to submit a new offer with better prices, whereupon the Russian firm offered a secondhand version of the same system.

Nevertheless, when the FAP made its comparison of the three offers (W-21 Intertechnique, LINCA Inc., and Rosvooruzhenie), it presented the Russian offer as if it did not include air defense equipment, in order to be able to reject it as incomplete and thereby give preference to the W-21 offer.

A similar practice had apparently been followed throughout 1995.

Approximately $100 million was spent during 1995 to purchase military equipment of questionable quality at inflated prices, sold for the most part by the same companies that are today grouped together in W-21 Intertechnique, which with a capital of only $20,000 was attempting to close a deal for $762.4 million by forming an alliance with the people who triangulated Argentine arms to Ecuador at a time when our soldiers were laying down their lives in the Condor Cordillera.

Venezuela

Venezuela: Business Leaders React to Caldera's Speech

PA1904120596 Caracas EL UNIVERSAL in Spanish 16 Apr 96 p 2-1

[Report by Luis Manuel Escalante, Giuliana Chiappe, and Pedro Garcia Otero]

[FBIS Translated Text] "The measures that President Rafael Caldera announced are tough, but they are the only way for the government, businessmen, workers, and Venezuelan civilian society to prepare to start the country's economic recovery."

Jorge Serrano Fuenmayor, president of Fedecamaras [Venezuelan Federation of Associations and Chambers of Commerce and Industry], made this statement after listening to the head of state's speech last night and comparing it to explanations offered to businessmen in the afternoon by Planning Minister Teodoro Petkoff and Development Minister Freddy Rojas Parra.

Serrano, members of Fedecamaras' leadership, as well as other business leaders listened to Caldera's speech at Fedecamaras headquarters and drafted a document containing their opinions last night.

The country's top business organization believes "it is necessary to establish a coherent economic program to help guarantee the nation a new course based on a different concept: The eradication of state capitalism

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

and populist influence peddling. An important aspect is to ensure the implementation of the privatization process," Fedecamaras' communique points out.

It added that "the government has not designed an immediate economic strategy to revive the production apparatus while it implements the announced measures and the structural adjustments required to reorganize the state without which there will be no overall clean up of the economy, and thus, a majority of the population will not be benefited."

Despite this statement, Fedecamaras reaffirmed "the businessmen's determination to participate and contribute to the solution of the problems facing Venezuela."

Pedro Carmona Estanga, president of Conindustria [Venezuelan Council of Industry], believes "this adjustment program will test the government's will and coherence."

He realizes this is a difficult time for all sectors, but problems must be tackled to overcome the situation.

The industrial sector, in particular, will be greatly affected by higher interest rates. Thus, Carmona advocates mechanisms to face insolvency problems that some companies might encounter as well as the effects on the financial sector. He is confident they will be supported by multilateral financial organizations.

He added that some companies may be forced to close.

Farmers, according to Hiram Gaviria, president of Fedeagro [National Federation of Agricultural-Livestock Producers], will support the macroeconomic adjustments that President Rafael Caldera announced, because "we had waited for a long time for the deregulation of exchange controls and arrival of a market economy."

"A course for macroeconomic stabilization was apparently established and the president is its leader," Gaviria noted. He added, however, that "there is a need for an economic stabilization plan to promote small and medium-seized industries, agriculture, and other production sectors, as was achieved with the reduction of the fiscal deficit and with regulations on foreign exchange and financing procedures."

Gaviria underscored an aspect that worries him. It is the methods being used to fight poverty. "I think they are using the wrong approach, because it involves only a distribution of resources such as scholarships, subsidies, and food. The best way to fight poverty is through the creation of jobs and increase of purchasing power."

As a result of the macroeconomic adjustments, he expects "increased recession and inflation that in the case of the agricultural sector, will surpass the 50 percent mark the government estimated for the next six months. Prices will further rise due to an increase in production costs and the impact of foreign exchange deregulation on imported inputs.

In Gaviria's opinion, this is not the right time to sign a plan with the IMF. We are late. "We lost precious time because it should have been done last year when the anti-inflationary pact was signed by the National Economic Council, business sector, production sector, labor sector, and the church, to support government measures. We hope these measures will not run the same fate as the pact."

The inflation outlook for the powdered milk sector is less positive than the one for the agricultural sector, which is expecting 50 percent inflation for the next six months. Rodrigo Agudo, president of the Powdered Milk Industrialists Association [Asociacion de Industriales de Leche en Polvo — Asolep], believes the sector's costs will increase "by 30 to 40 percent" in only two months.

"This percentage will prevail if the exchange deregulation establishes a dollar exchange of 450 bolivares, based on Brady Bonds. There is uncertainty as to how the 12 products that are regulated will fare. If the executive branch fails to make a decision in this regard, it will become evident that these are isolated measures and that they will not build trust." In Agudo's opinion, the president's speech "confirmed what we already knew, but sadly, it did not add anything new. It reaffirmed what had already been announced. The measures that were announced are necessary and we will monitor the effects of their implementation."

The best time to base our economy on the IMF plan is as soon as possible "because uncertainty will increase the longer we take to sign an agreement with the IMF," he added.

Deregulation of the exchange rate, interest rate increases, gasoline price increases, and permanent price regulations are the issues that most worry Domingo Francisco, president of the National Federation of Poultry Farmers, after listening to the presidential speech.

"We learned at Fedecamaras yesterday morning that the price of some of the 12 products of the family basket will continue to be regulated. We are worried because 80 percent of the sector's inputs are imported due to the high volume of concentrated food we require. The price of such inputs will fluctuate while the price of chicken and eggs will apparently not," Francisco said last night.

He prefers not to estimate the inflation rate that will affect the cost structure of the poultry industry until he

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

knows what the exchange rate and financial interests will be. Francisco insisted he hopes to see other commercial policy measures announced soon, because "it has been shown that controls create distortions," although he admitted President Rafael Caldera "has shown signs of positive change," and thus, they will support the measures he announced.

Erich Hartkopf, president of the Chamber of Heavy Equipment and Machinery Importers, believes that the immediate effect on his sector will be a 30 percent drop in demand for their goods due to increased prices, deregulation of the dollar, and increase in the wholesale tax [IVM].

"The capital goods sector will contract by 30 percent in addition to a 40 percent contraction already registered in 1995. Less will be purchased and funds collected from the IVM will cover public expenditures rather than the fiscal deficit as the government has claimed. They should reduce the size of the state," Hartkopf noted.

Drafting and signing of a plan with the IMF "should have been done in 1995 when there was a strong drop in international reserves. Reserves have now recovered but at a high cost because no foreign exchange was sold between September and January. It is possible that reserves will drop again in upcoming months if capital flight is not contained," he added.

In his opinion, IMF resources "should be used to promote capital goods purchases by the agricultural sector to increase production instead of pumping more money into the banking sector."

Carlos Avellaneda, president of the Venezuelan Construction Chamber [Camara Venezolana de la Construccion — CVC], pointed out his sector will request additional compensatory measures to ensure their activity is not paralyzed by higher interest rates.

Builders will ask the government to advance 50 percent of the construction cost as opposed to the 10 to 30 percent it advances at present, because increases in the price of its main inputs prevent the industry from financing its activities with its own resources, and he added, deregulation of interest rates will prevent the sector from financing their inputs through bank loans.

Avellaneda, however, is worried most by the increase on the Icsvm [tax on luxury items and wholesale sales], because "the sector's activity will drop by at least 4 percent" as a result of these measures. This will be so because cost must be transferred to the final consumer, who will buy fewer homes due to higher interest rates.

Another concern the builders have is the lack of definition regarding the price of gas oil, which will be 45 bolivares per liter, because this fuel powers virtually all machinery the builders use.

Venezuela: Industrialists Concerned About Economic Plans

PA1804192396 Caracas Venezolana de Television Network in Spanish 0230 GMT 17 Apr 96

[FBIS Translated Text] The industrial sector is concerned about the economic measures, because it fears that interest rates above 15 percent will jeopardize its economic solvency. Zaida Pereira has more details:

[Pereira] At this time of economic slowdown, the industrial sector is closely monitoring interest rates, because they constitute a basic factor having a bearing on the companies' production. Pedro Carmona pointed out that it is not that they distrust the financial system; the problem is that they cannot afford a sudden increase in the cost of credit. This is why the Conindustria [Venezuelan Council of Industry] met with banks and the government to obtain support to offset these measures.

[Begin Conindustria President Carmona recording] There certainly must be immediate increases, which could range between 10 to 15 percentage points. Starting from these, there will be gradual increases. These 10 to 15 points are still hard, but we know that we cannot aim at two simultaneous objectives: to completely eliminate foreign exchange controls and have low interest rates. [end recording]

[Pereira] The industrial sector's representatives stressed that the increase in prices will be basically marked by the lifting of foreign exchange controls and that this is why they must give in within one or two months.

Venezuela: Political, Foreign Officials on Economic Plan

PA1804192296 Caracas Venezolana de Television Network in Spanish 0230 GMT 17 Apr 96

[Passages within quotation marks recorded]

[FBIS Translated Text] [Announcer] The set of measures President Rafael Caldera announced to the nation has triggered many reactions from the country's political sector. Pedro Prado has a report:

[Prado] At a special meeting of the Copei [Social Christian Party] National Committee, the party issued a document acknowledging that these measures constitute the first corrective step even though they failed to meet expectations. Copei followers asked the government to further clarify the policies concerning foreign exchange, social benefits, economic reactivation, debt refinancing, and inflation.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Unidentified Copei representative] "What was announced only represents a group of necessary measures, some of which were suggested by Copei. They are not supported by a comprehensive program and a nationwide commitment to take corrective steps. Without these profound corrections, this package will end up as previous ones did: as a useless sacrifice by the people and the Venezuelan middle class."

[Prado] Personally speaking, Senator Humberto Celli believes that the severity of these measures will result in the extinction of the middle class.

[Celli] "These measures will destroy the Venezuelan middle class, which has been punished in the last few years and which is the foundation of Venezuelan democracy and development."

[Prado] For several reasons, the MAS [Movement Toward Socialism] acknowledged its commitment by forecasting the program's success. Socialists believe that the measures are tough, yet essential.

[MAS President Gustavo Marquez] "There is a collective resolve to implement the program while simultaneous measures are taken, so that all of them will contribute to eliciting the desired results with regard to the stabilization of macroeconomic variables and instilling some confidence in the country's economic recovery."

[Prado] The Radical Cause Party does not believe these measures are the solution, because they have simple fiscal objectives.

[Deputy Aly Rodriguez] "They are simply closing a gap by opening another one, because all these measures' objective is to obtain the IMF's approval to have access to new credits abroad, thus prompting more debts."

[Prado] In addition to these political reactions, Congress, specifically the Senate, approved in its first discussion the bill resolving the public debt. This bill is one the instruments the executive branch requested and is part of a package of fiscal measures it forwarded to Congress.

[Announcer] Meanwhile, a few hours after President Caldera announced to the country the new economic and financial measures, foreign economic sectors reacted positively. Fernando Porte filed a report:

[Porte] Acting Foreign Relations Minister Milos Alcalay is convinced that the economic measures President Caldera announced on 15 April triggered worldwide expectations, which will foment the coordination of agreements with international partners as an immediate consequence.

[Alcalay] "These measures that the president has already mentioned in his annual address to Congress and that were further explained this time have triggered significant reactions from foreign economic sectors. We have observed how the international community has demonstrated a number of positive economic reactions. We are undoubtedly embarking on a new phase."

[Porte] In addition to these comments, Alcalay and Minister Secretary Asdrubal Aguiar said that, in comparing this set of fiscal and economic measures with another one adopted in 1989, in this case politics is the art of opportunity. [sentence as heard]

Venezuela: Businessmen Note Support for Economic Program

PA1704025396 Madrid EFE in Spanish 1631 GMT 16 Apr 96

[FBIS Translated Text] Caracas, 16 Apr (EFE) — Venezuelan businessmen repeated today their support for the government's drastic economic adjustment program; however, they asked for a renewal of production to coincide with the deregulation of the exchange rate, prices, and interest rates.

Jorge Serrano, president of the employee's sector of Fedecaramas [Venezuelan Federation of Associations and Chambers of Commerce and Industry], said that the adjustment measures, some of which go into effect today, are severe measures, but they "are the only possible way" to organize the country's fiscal accounts and begin reactivating the economy.

Venezuelan President Rafael Caldera announced the deregulation of fuel prices, and exchange rates, and an increase in interest rates to correspond to the inflation rate.

The inflation rate was 23.5 percent in the first quarter of 1996 and will be 30 percent in the next three months.

In addition, Caldera announced an increase in consumer taxes from 12.5 percent to 16.5 percent, and a devaluation which, according to experts, could reach 70 percent.

In a communique, Fedecamaras reiterated its desire to "participate and contribute" in solving the problems Venezuela is experiencing. Venezuelan Council of Industry (Conindustria) President Pedro Carmona believes that the new measures will "put the will and coherence of the administration to test."

For months, the Venezuelan business and trade sectors have been asking the administration for an end to economic controls and a policy to stimulate the national production sector which, according to analysts, has been operating at half its productive capacity.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

A survey of 50 companies conducted by the Venezuelan Institute of Social, Economic, and Technological Research (Insotev) revealed that 95.9 percent of the group surveyed believe that the government should revise its economic policy because it was "ambiguous", "incoherent," and was "being mishandled."

According to the survey, a significant part of the small- and middle-sized industries (55 percent) said that a worsening of the political climate was "very probable", and 90 percent admitted that social conflicts will get worse, however, that a coup d'etat is "improbable."

Venezuela: AD Supports Economic Adjustment Measures

PA1804161596 Caracas Venezolana de Television Network in Spanish 0230 GMT 18 Apr 96

[Report by Zulay Rosas]

[FBIS Translated Text] Democratic Action [AD] announced its support of the government's economic adjustment measures. AD leaders say that these measures could be the beginning of a program that puts the country on the road to well-being and progress.

At an extraordinary meeting of the AD's National Executive Committee [CEN], the members approved a document, which in addition to backing the macroeconomic adjustment plan, makes observations regarding the implementation of the measures. They believe that the program should be accompanied by a plan that ensures medium- and long-term economic growth. In view of the high interest rates for this year and the years that follow, the white tent [AD] demands that the national goverament present a fiscal program that guarantees the recovery of stable economic growth.

[Begin CEN Member Aristides Hospedales recording] This adjustment program, even though it is short-term assistance, will mean an additional debt for the Venezuelan state, which will increase the service of the public debt. It is imperative that the debt be restructured and that an explicit timetable of privatization aimed at reducing this public debt be presented. The AD also requests that the national government take sufficient measures to guarantee that the financial system recovery processes meet their goals. [end recording]

The AD members also showed their concern over the hike in interest rates; especially housing mortgage interest rates. They insist on the need to take action to prevent a cost increase of these credits.

The AD warned that the success of the economic measures will depend on how well they are applied, and more so, their timeliness and efficiency.

Venezuela: Contents of Caldera's Message Criticized

PA1604222396 Mexico City NOTIMEX in Spanish 0648 GMT 16 Apr 96

[FBIS Translated Text] Caracas, 15 Apr (NOTIMEX) — Caracas' radio stations today played a cathartic role for the people and the people unleashed criticism against the message in which Venezuelan President Rafael Caldera announced severe economic measures.

A listener of Union Radio who responded to a telephone poll minutes after the delivery of the presidential message, said: "The president likes to generate much expectation in the population. He said nothing new, nothing we did not already know."

Caldera announced that gasoline prices will be increased 600 percent, the deregulation of currency exchanges, which will mean that the Venezuelan currency will be devaluated by 40 percent; and the deregulation of interest rates, among other measures.

The announcement of the package of measures to check the inflation and the economic crisis had sparked fears among the people, who recalled the social upheaval of 27 February 1989.

Seven years ago, a few weeks after having assumed power, President Carlos Andres Perez increased the price of gasoline. This aroused the people's anger and resulted in the looting of supermarkets and the torching of automobiles.

The majority of the adjustments disclosed by Caldera had been announced in advance by his economic cabinet ministers. The people were expecting something new.

The only incident related to his statements came a few minutes before the presidential message was known, when a group of hooded persons torched a vehicle outside the Central University of Venezuela, without any consequences.

Agustin Berrios, an economist of the opposition's Social Christian Party, has said: "I am concerned that the president did not speak about social programs or downsizing the state."

According to government sources, in the next three days the members of the economic cabinet will speak to the country to explain the measures announced by Caldera.

In a 20-minute message to the nation, the 80-year-old president asked the Venezuelans to recover "the spirit of unity that prevailed for the visit of Pope John Paul II (in February 1996) because Venezuela needs it."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Venezuela: People 'Not Afraid' of Economic Adjustments

PA1604195896 Caracas Venezolana de Television Network in Spanish 1530 GMT 16 Apr 96

[FBIS Translated Excerpt] The Venezuelan people know that economic adjustments are necessary and only expect that everyone — not just the less-privileged classes — will make sacrifices:

[Correspondent] People would have preferred fuel prices to rise gradually over time and not suddenly. They are also saying that they will accept the price hikes as long as they benefit the country. [passage omitted on people's remarks]

Others believe that Venezuelan pocketbooks will not be able to take on this new burden. [passage omitted on people's remarks]

Venezuelans are not afraid to implement new economic measures, despite the president's announcement. [passage omitted on people's remarks]

The truth is that consumers had already started estimating and adjusting their budgets. They must somehow manage to face the new prices not only of fuel but also of staples.

Venezuela: Military Monitors Situation on Announcement

PA1504040696 Caracas EL UNIVERSAL in Spanish 12 Apr 96 p 1-12

[FBIS Translated Text] Caracas — The FAN [National Armed Forces] are closely monitoring what may occur as a result of the announcement of the economic measures expected for Monday. "Troops have not been confined to quarters, no alert was declared, and the Avila Plan will not be activated... but we will constantly monitor the situation," a high-ranking military source has asserted.

The Avila Plan and Sovereignty Plan are FAN contingency plans to attack and neutralize possible disruptions of public order in provincial capitals of the country. In Caracas it is called the Avila Plan and in the rest of the country, the Sovereignty Plan.

These plans are designed, reviewed, updated, and implemented throughout the year by the four branches of the military. As part of the plans, military personnel are trained to control public transportation, the hospitals, markets, supermarkets and grocery stores, traffic, water service, electricity, telecommunications, and the media, in an effort to restore peace and security in case of "shakeups," looting, outbreaks of violence or uncontrollable mass actions.

The proximity of the announcement of the measures as well as the annoyance expressed by people on the streets over the high cost of living, unemployment, inflation, and growing poverty, in addition to the people's speculations on troops being confined to quarters or military and police alert, forced EL UNIVERSAL to seek the truth in order to inform its readers.

Consequently, no special traffic measures have been implemented; no soldiers are taking over the streets; no soldiers are checking documents; and no "red" alert has been declared. What will occur is that authorities will closely monitor people's actions and behavior.

— What worries you?

— What we are concerned about is the lack of water, which could cause many problems. We are concerned that the OCI [Central Information Office] did not carry out an information campaign so that people could learn the benefits and sacrifices the economic measures will bring. These measures will allow businessmen to have an idea on how they will affect the sale price of their products.

— And what about the MBR 200 [Bolivarian 200 Revolutionary Movement]?

— It continues to be controlled by the extreme left, using its methods. Soldiers led by the Red Flag, who would think about it... we have them under control; they don't have any drawing power. We know their movements; they are behind the propaganda bombs that were detonated and were blamed on the extreme left. We know their plans...

— What are they?

— To try to cause alarm among the population, to capitalize on the demonstrations to appear as their leaders. They want to turn these demonstrations into disruptions of public order; they want to cause alarm by airing their propaganda on boom boxes. They want to create instability and fill the population with insecurity; they want to urge people in the neighborhoods to come out and loot. The methods of the Red Flag: "this will sink, let us put more weight on it".... I hope they would present solutions to the problems instead of problems to the solutions.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication produced by the Foreign Broadcast Information Service (FBIS). Its contents in no way represent the policies, views, or attitudes of the U S. Government.

FBIS collects, translates, disseminates, and analyzes foreign open-source information on behalf of the U.S. Government. Its publications may contain copyrighted material. ***Copying and dissemination is prohibited without permission of the copyright owners.***

— Bracketed indicators before the first sentence of each item describe the way in which the material was processed by FBIS.

— Headlines and all bracketed explanatory notes are supplied by FBIS.

— Personal and place names are rendered in accordance with the decisions of the U.S. Board on Geographic Names as adapted by FBIS. Unverified names in radio and television material appear in parentheses and are spelled phonetically; words and phrases in parentheses preceded by a question mark are unclear in the original and deduced from context.

SUBSCRIPTION INFORMATION

U.S. Government Customers

For a list of FBIS products, to subscribe to an FBIS publication, or to indicate a change of address contact:

FBIS
P.O. Box 2604
Washington, DC 20013-2604
Telephone: (202) 338-6735
FAX: (703) 733-6042

Non-Government Customers

Subscriptions are available from the National Technical Information Service:

NTIS
5285 Port Royal Road
Springfield, VA 22161
Telephone: (703) 487-4630
FAX: (703) 321-8547

New subscribers should expect a 30-day delay in receipt of the first issue.